FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,400

Thursday February 19 1981

***25p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 28; DENMARK Kr 6.00; FRANCE Fr 4.50; GERMANY DM 2.0; ITALY L 800; NETHERLANDS Fl 2.0; NORWAY Kr 6.00; PORTUGAL Esc 50; SPAIN Pta 75; SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 30p; MALTA 25c

NEWS SUMMARY

GENERAL

New row over Labour elections

The Shadow Cabinet agreed to recommend to Labour MPs that they should reject the system for electing the party leader approved by last month's special party conference.

The conference gave 40 per cent of the votes in an electoral college to trade unions, with 30 per cent each for constituency parties and MPs — an arrangement defended by Tony Benn.

The Shadow Cabinet decided to revert to support for a college giving 50 per cent of votes to MPs. Mr. Benn was warned he must return to the back benches if he puts an alternative resolution to next week's party meeting. Back Page

Nuclear criticism

Parliamentary Select Committee on Energy is highly critical of Government nuclear power strategy. Back Page

'Regional' BR

British Rail's Southern Region will become a separate management Board with its own grant arrangements if BR chairman Sir Peter Parker reaches agreement with Transport Secretary Norman Fowler.

Airlines must pay

A High Court judge said 16 airlines which disputed the legality of increased airport charges must pay £2m in withheld fees. Back Page

Blow for Trudeau

Saskatchewan will today become the seventh of Canada's 10 provinces to oppose Prime Minister Pierre Trudeau's constitutional reforms, the New Democratic Party said.

Sotelo's promise

Spanish Prime Minister-designate Leopoldo Calvo Sotelo, seeking a parliamentary vote of confidence, promised to guarantee prisoners' rights. Page 2

'Free Chad' plan

Libya is considering a plan to withdraw from Chad in exchange for French withdrawal from the Central African Republic, Nigerian diplomats said. Page 3

Dissident freed

Soviet Jew Iosef Mendelvich left the USSR for Israel—the last released of a group which tried to hijack a Soviet plane 11 years ago.

Yadin to retire

Israeli deputy Prime Minister Yigal Yadin, leader of the Democratic Movement for Change, is to retire from politics. Page 3

Neck and neck

French President Valery Giscard d'Estaing and socialist leader Francois Mitterand are level in the run-up to April's presidential election, a survey for Le Figaro showed.

Miniature boxes

Timex is to make paperback-sized black and white televisions in Scotland for Sinclair Research to sell at about £50. Page 6

Kidney first

One-year-old Adam Hartnell was "doing fine" at Guy's Hospital, London, yesterday, after becoming Britain's youngest kidney transplant patient.

Briefly...

Sunday Times editor Harold Evans was appointed editor of The Times. Back Page

Death toll in Ireland's discotheque fire disaster rose to 45.

BUSINESS

Equities improve; gold off by $7

● EQUITIES improved on hopes of early pit crisis negotiations. The FT 30-share index put on 3.8 to 489.3. Page 36

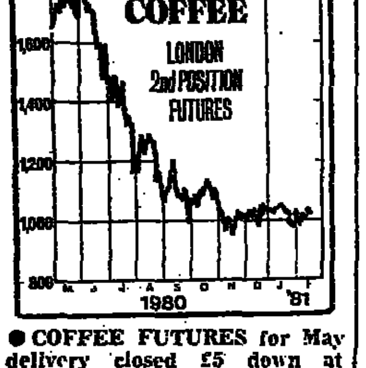
● GILTS were firm on renewed hopes about an MLR cut. The Government Securities index put on 0.17 to 69.30. Page 36

● STERLING rose 25 points to $2.2665, but was slightly weaker overall. Its trade-weighted index fell to 102.2 (102.5). Page 31

● DOLLAR recovered early losses to finish at DM 2.1975 (DM 2.1950) and SwFr 1.9875 (SwFr 1.9950). Its trade-weighted index was down to 100.2 (101.2). Page 31

● GOLD lost $7 to $497.5. Page 31

● WALL STREET was up 2.38 to 942.06 near the close. Page 34



● COFFEE FUTURES for May delivery closed £5 down at £1,026 a tonne. Page 35

● BL will have to pay £20m stamp duty on the £990m it is to receive from the Government. Back Page

● LEASING of plant and machinery doubled in money terms in 1980, reflecting volume growth of about 85 per cent. Back Page

● MITSUBISHI, the leading Japanese motor manufacturer, plans a $100m (£44m) engine plant in Indonesia. Page 5

● ITALIAN CHEMICAL industry aid plan worth up to $3bn was announced by the Government. Page 29

● METAL BOX plans to make redundant 700 employers in factories throughout the country, representing about 10 per cent of the workforce in its general line division. Page 6

● COLUMBIA PICTURES agreed to buy out shares amounting to a 24 per cent stake in Columbia held by Kirk Kerkorian, who wanted to merge the company with Metro-Goldwyn-Mayer in which he has a 47 per cent stake. Page 28

● ROBERT MAXWELL, new executive deputy chairman of the troubled BPC group, said it would return to "substantial profitability" next year.

● CROWN HOUSE, the electrical and mechanical engineering and glassware group, launched a full bid for Denbyware, the loss-making tableware and ceramics group. Early signs are that it will be rejected. Page 25

● DALGETY pre-tax profits for the half-year to end December rose from £15.7m to £16.2m, with Spillers' activities making a valuable contribution to the group's UK activities. Page 24; Lex, Back Page

● BOC International reported pre-tax profits up from £12.4m to £14.6m for the first three months to end December. Page 24; Lex, Back Page

● SECURICOR GROUP improved taxable profits for the year to end September from £6.93m to £7.94m. Page 24

● WEDGWOOD, bone china and earthenware manufacturer, reported third quarter pre-tax profits up from £1.95m to £1.97m, though the result for the 39 weeks to end-December was down from £4.56m to £3.62m. Page 24

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. 7¾pc '85-88	£70¼	+ ¼
Assam Trading B	69	+ 8
Barker and Dobson	16	+ 3½
British Vending	26	+ 2
Crest Intnl. Secs.	15½	+ 2
Dalgety	279	+ 6
Denbyware	86	+ 13
Dowty	221	+ 5
Epicure	28	+ 2½
Firth (G. M.) (Mtls.)	67	+ 5
Pisons	138	+ 11
GKN	180	+ 4
Illingwth. Morris A	12½	+ 2½
KwikSave	180	+ 5
Metal Box	190	+ 10
PMA	31	+ 5
Reardon Smith A	151	+ 7
Sangers	52	+ 7
Vinten	206	+ 8
Wedgwood	60	+ 5
Castlefield (Klang)	510	+ 35
Killinghall Rubber	570	+ 20
London Sumatra	375	+ 17
CRA	224	+ 8
Messina	195	+ 10

FALLS

BPC	13	− 3
Pratt (F.)	110	− 4
Woolworth	54	− 3
Int. Mining	53	− 5

Government yields to pit strike threat

BY RICHARD EVANS & CHRISTIAN TYLER

THE GOVERNMENT capitulated last night to the mounting threat of a national miners' strike, and indicated that it was prepared to rethink its whole policy on coal industry finances and coal imports.

The National Coal Board withdrew its closure list of 23 collieries affecting 13,000 jobs on the understanding that the mining unions would sit down and work out afresh how to help bring output into line with falling demand.

Last night's meeting at the Department of Energy marked probably the biggest public reverse for the Government since it took office nearly two years ago.

The move was seen at Westminster as a humiliation for the Government and a reversal of its stated policy of keeping its distance in the running of nationalised industries.

Conservative MPs were furious at what they regarded as the grave mishandling of the crisis, and Mr. David Howell, the Energy Secretary, came in for particular criticism.

But it appears that Ministers from Mrs. Thatcher down faced with more than half the 230,000 miners on strike by tomorrow, had no wish to see a national coal strike, with its outcome unpredictable, at a critical time in the life of this Parliament.

Executive

Mr. Joe Gormley, president of the National Union of Mineworkers, will urge the NUM's 25-man executive today not to go ahead with a strike ballot.

He said he would call on the South Wales, Kent, Scottish, Durham and other miners who have already walked out to go back to work.

There will be a fierce inquest at today's Cabinet over the handling of such a politically sensitive issue, and Mr. Howell is expected to make a statement to the Commons this afternoon.

From the Tory Right-wing viewpoint the most damaging result is the decision to abandon the set financial limits for the industry and to pump more money in after a threat of widespread industrial action.

The Government's backdown could mean many millions of pounds more for the coal industry, including subsidies to match the lower price of imported coal. No details of sums of money were discussed last night.

These will begin to emerge at another tripartite meeting next Wednesday.

Mr. Gormley said that Mr. Howell was willing to make cash available and that the NCB would "have to do its sums again."

The 1983-84 target date for phasing out all Government operating grants to the industry now looks likely to be abandoned.

Though clearly pleased, Mr. Gormley was careful not to claim a victory in so many words. He said: "Let's hope their statement will help to defuse the situation."

The wider repercussions of the Government's forced retreat in the face of the miners have yet to be seen. But last night's meeting, lobbied by dozens of strikers on the steps of the Department's Millbank headquarters, will certainly be construed as a victory by trade unionists and the Labour Opposition.

Immediate reaction from South Wales was one of surprise at the news. But the general view was that there would be no return to work today.

Miners would wish to wait until they had received full details from Mr. Derek Ezra, the NCB chairman, and Mr. Emlyn Williams, the Welsh miners' leader.

Pickets

Miners in three more coalfields yesterday joined the 26,000 miners in South Wales and 3,000 in Kent already on strike.

The Scottish coalfield stopped. Miners walked out at four pits in Durham and a number in South Yorkshire.

South Wales miners had started sending pickets to other areas to spread the strike as widely as possible.

Four-man groups of miners picketed all rail and road entrances to the giant Aberthaw power station on the Bristol Channel coast, of South Wales.

Steel and rail unions had given pledges of full support to the miners in Scotland as well as South Wales.

Earlier, Mr. Arthur Scargill, the Yorkshire NUM president, said that reports of men striking or wanting to strike were "flooding in," even ahead of the special area conference called for tomorrow.

Altogether 23 collieries employing 13,000 men and producing 4.3m tonnes a year had been set down for closure in the coming financial year. The NCB had said that "fewer than a third" of these would be unable to find other jobs in the industry.

Earlier story, Page 8

Reagan links deep tax cuts to sharply reduced spending

By Jurek Martin US Editor h

PRESIDENT Ronald Reagan yesterday unveiled his long-awaited proposals to nurse the American economy back to health through a combination of deep tax cuts and sharply reduced Government spending.

His package, to be explained in detail in a supplemental budget on March 10, was designed to meet both public and corporate demands for lower taxation.

The controversial nature of his attack on Government spending is certain to meet stiff opposition in Congress and from the special interest groups affected.

In a message to Congress, the prelude to a blitz of salesmanship starting with a nationally-televised address to the legislature last night, Mr. Reagan said his package could achieve "a full and vigorous recovery for our economy." This, he has asserted previously, was in the worst state since the Depression.

"I believe these proposals will put the nation on a fundamentally different course — a course leading to less inflation, more growth and a brighter future for all our citizens."

The President's programme, if enacted, would have its fullest impact on the fiscal year beginning next October. Specifically, the documents released yesterday forecast that it could result in real growth of 4.2 per cent in 1982 and sharp reductions in inflation and unemployment over the next five years.

The package provides for an additional $7.2bn (£3.2bn) in defence spending in the next fiscal year and leaves untouched the so-called "sacred cows" of the American social security system. It comes in a number of parts:

● Cuts in the [illegible] in federal [illegible] $41.4bn off the [illegible] proposed by President Carter for the fiscal year of 1982. Further cuts of 5.7bn are to be proposed [illegible]

● A $44.2bn cut in personal and business taxes to take effect, Congress willing, on July 1 this year. This would produce a $6bn tax cut in the present fiscal year. It is the first stage of President Reagan's proposed 30 per cent a year tax cut scheduled over three years, a keystone of [illegible] election campaign.

● As yet largely unspecified schedule of relief from Government regulation, to which the President has made largely token obeisance in the first month of his administration. Further details are expected on March 10, although yesterday he proposed accelerated depreciation allowances for corporations in a substantial spur for capital investment.

If accompanied by what he described as "a stable and consistent" monetary policy by the Federal Reserve, the Reagan package holds out the prospect of a balanced federal budget by the 1984 fiscal year, a year later than he promised in the campaign.

In the shorter term, it estimates that the budget deficit in the next fiscal year will reach $45bn, about $18bn more than President Carter's final budget forecasts.

In the current fiscal year, the administration projects a budget deficit of $54.5bn, close to the final Carter projections.

While clearly tinged with the now fashionable conservative radicalism, the Reagan package contains a number of retreats from the more doctrinaire policies advanced by some of his advisers, most notably Mr. David Stockman, his budget director.

The tax cut, for both individuals and business, will not take effect, if Congress agrees, until July 1, rather than being backdated to the start of the year.

Although implementation of the reduced tax rate schedule will result in effective lowering of capital gains taxes, no changes in basic capital gains rates were proposed, nor any reductions in basic corporation tax from the present 46 per cent.

Mr. Reagan did nothing about the oil windfall profits tax imposed by the previous government.

It is considered likely that Congress will be more sympathetic to the proposal to cut taxes than to the spending reductions. The Reagan Administration has said it would prefer Congress to consider both elements as a single package, but the Democratic leadership has insisted it will have nothing to do with this approach.

Even in the barest details presented, there was the stuff of controversy and bitter political infighting. The budgetary axe has descended on a broad cross-section of economic, foreign and social programmes, ranging from public service jobs through foreign aid to cuts in Government support for the arts, all of which have the varied special interest groups who wield such political clout girding their defences.

Details, Page 4

£ in New York

	Feb. 17	Previous
Spot	$2.2660-2680	$2.2870-2900
1 month	0.52-0.60 pm	0.66-0.75 pm
3 months	2.45-2.55 pm	2.80-2.90 pm
12 months	8.40-8.60 pm	9.50-9.70 pm

Pay rises halved in latest round

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

PAY RISES agreed in recent settlements are only about half the size of those in the last wage round. This is mainly the result of the recession and the squeeze on industry's profit margins.

Confederation of British Industry pay databank figures published yesterday show that increases in manufacturing industry are now "firmly in single figures," while new Department of Employment statistics point to a marked slowdown in the rate of growth of earnings in the whole economy.

The CBI survey, based on a sample of manufacturing companies, shows that increases average 8 to 9 per cent between November and January, compared with more than 16 per cent in July and 10 per cent in October.

About 60 per cent of the companies said the level of profits and an inability to raise prices were "very important" downward pressures on pay.

Whitehall officials estimate that average earnings rose at an underlying rate of ¾ per cent a month between September and December compared with ¾ to 1¼ per cent in the previous three months.

The underlying 12 month rate of growth was 18½ per cent in December compared with a revised figure of 19½ per cent in November and 21½ per cent last September.

The drop in the underlying rate in December was almost entirely because of the inclusion of the lower pay rises in the current round.

The earnings index, covering 21m employees across the economy, rose by 19.4 per cent to 196.5 (January 1976=100, seasonally adjusted) in the year to December.

The difference between this and the estimated underlying rate is created by the large amounts of back-pay paid to local authority non-manual workers, which boosted the December index.

Less than 10 per cent of all employees had settled by the end of December. So, as the lower pay increases of the current round work through in the next few months, the 12-month rate should fall substantially.

A further favourable factor will be the exclusion from the comparison of the public sector comparability payments which added 2½ per cent to the index last year.

There is no detailed breakdown between the public and private sectors but the pressures on manufacturing are shown by an underlying annual rise of 14 per cent in the year to December compared with 15 per cent in November, more than 4½ percentage points less than for the whole economy.

The index of nationally-negotiated basic weekly wage rates of manual workers rose by 11.6 per cent to 371.4 (July, 1972=100) in the year to January, compared with a 14 per cent rate in December.

Poland export credit talks set with West

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

POLAND IS to meet its Western government creditors in Paris next week for a new round of talks on rescheduling export credits.

But the meeting is unlikely to reach a definitive agreement on Poland's debt problem. The most that may emerge is an extension of the short-term bridging finance made available to help the country meet its export credit obligations which fall due in the first quarter.

The talks take place amid mounting concern over the precariousness of the country's financial position. Western bankers say Poland is able to satisfy its foreign exchange needs only on a day-to-day basis.

The Reagan Administration, which will send representatives, has still to clarify its policy on aid to Poland. Uncertainty over Soviet intentions toward the country is also inhibiting Western governments from making firm commitments to reschedule export credits.

This has limited the prospects of a definitive agreement in the near future, although the framework for a longer-term rescheduling is likely to be discussed at the Paris meeting.

The meeting will coincide with the Soviet Communist Party congress in Moscow which will be attended by leaders from all Comecon countries. This will provide a forum for behind-the-scenes discussion on Poland from which a clearer Comecon policy could emerge. Western bankers suspect that the Soviet Union has planned to play a crucial role in keeping Poland afloat with hard cash.

Poland held separate exploratory talks with commercial banks on the situation regarding financial credits in Vienna last month. This meeting was to have been followed quickly by further discussions in London.

In any eventual agreement to reschedule financial credits the banks will seek a political lead from their governments on export credits.

Struggle for Walesa, Page 2

Birmid down £13.6m

By Andrew Fisher

BIRMID QUALCAST, the foundry, metalworking and lawnmower company, was pitched into steep losses last year as a result of the weak demand for UK motors and tractors.

Its foundry activities suffered heavily from domestic recession, with Birmid collapsing from a £2.8m profit after tax to a loss of £13.6m, including sharply higher closure costs.

In the first three months of the current financial year, which began in November, losses continued and chairman Mr. James Insch said he could not forecast when trading would improve.

Birmid's sales were slightly lower during the year at £210m, with more than half of this attributable to foundry products where a £5m trading profit was turned into a deficit of £1.4m.

Profits at the reorganised Potterton heating division improved, however, as did

Continued on Back Page
Lex, Back Page

CONTENTS

For latest Share Index phone 01-246 8026

Chirac presents a new image to the voters

BY ROBERT MAUTHNER IN PARIS

WHILE THE latest public opinion polls disagree about whether President Valery Giscard d'Estaing or M. Francois Mitterrand, the Socialist leader, will win next May's presidential election, the political limelight has been stolen by M. Jacques Chirac, the Gaullist candidate.

M. Chirac, who made an impressive appearance in a television programme on Tuesday, has completely changed his public image, or had it changed for him by astute advisers.

Gone is the truculent, nervous manner which was his hallmark when a Minister and even Prime Minister, a position from which he resigned in 1976 after a bitter row with M. Giscard. *Now he is projecting* himself as the calm, reasoned statesman, who never loses his temper, whatever the provocation, but who will not tolerate policies which undermine France's economy and status in the world.

"We live in an ultra-dirigiste economy without direction," was one of the Gaullist leader's *more telling shafts in the TV* programme, in which he completely dominated his questioners and made a laughing stock of the programme's title "The Great Debate."

There was little or no debate, but a *long monologue* by M. Chirac setting out in detail his economic plans and his criticisms of what he claimed to be President Giscard's inconsistent and weak foreign policy.

M. Chirac said that, if elected, he would abolish income tax for the lowest paid, suppress the capital gains tax, and would make swingeing cuts *of FFr 30bn* (about £2.6bn) in state expenditure.

The Gaullist leader claimed that his economic policy was exactly opposite that of the Government, which still believed in the "out of date *theory*" that *high unemploy*ment would reduce demand and act as a regulator of the economy. That had been untrue ever since unemployment benefits were paid to the jobless. Indeed, the high level of unemployment was one of the main causes of inflation today, he said.

He hit out at what he saw as *the Government's weak policy* towards the Soviet Union, following the invasion of Afghanistan, and said France should take a much firmer stand.

M. Chirac poured cold water on speculation that he might do a deal with the Socialists if he is knocked out in the first round, as seems likely. Though *he did not rule out co-operation* between the Gaullists and the Socialists, this would be possible only after the Socialists had cut all their ties with the Communists.

Iran Premier urged to explain action over civil disorders

BY TERRY POVEY IN TEHRAN

IRAN'S Prime Minister has been asked to present himself before the national Parliament to explain the investigations being undertaken into an incident last week when a senior clerical figure, Ayatollah Lahouti, was attacked.

The deputies making this request claimed in their letter that the Ayatollah had been threatened with death by those who broke up a meeting at which he was speaking.

Mr. Ali Larijani, the newly appointed head of the State-run Radio and TV service, has been accused of censoring a telegram concerning the incident sent by President Abol Hassan Bani-Sadr.

Following a highly critical statement on Tuesday concerning the attack which came from Ahmed Khomeini, the son of Iran's revolutionary leader, the importance of the affair seemed yesterday to be growing. Observers consider that this incident may well become a *cause célèbre* for the supporters of the President to attack and embarrass their political opponents.

Yesterday, 40 parliamentarians, in an open letter to their fellow-Deputies, claimed that these "increasing attacks by lawless groups on meetings, newspaper offices, bookshops and individuals" were a serious threat to the country.

A second letter from members of this same group demanded that Premier Mohammed Ali Rajai present himself before the Parliament and explain the actions of the authorities in dealing with this case and others like it.

As the row grew over the attack on Ayatollah Lahouti, the Governor of Ghilan province where it happened blamed the shooting on the Ayatollah's guards. The Ayatollah, however, has dismissed the Governor's version of events.

Mr. Larijani, according to the Islamic Revolution's newspaper, told a presidential aide yesterday that he would not agree to broadcast all of the presidential telegram concerning this incident, as it might "create unrest."

● Reuter adds from Tehran: Ayatollah Mohammed Beheshti, who is also head of Iran's Supreme Court, said yesterday that documents concerning the four Britons held in Iran since last August had been forged, and repeated an earlier promise that they would be freed shortly.

PM unveils programme in Spain

By Robert Graham in Madrid

THE Spanish Prime Minister, Sr. Leopoldo Calvo Sotelo, yesterday disclosed plans for a state energy holding company to rationalise energy policy. Unveiling his proposals for the incoming Government's programme, he promised to prune public spending, press ahead with nuclear energy developments and ease strict hire and fire labour laws.

The 350 MPs will take a confidence vote on his plans on Friday. Although he will probably not win the absolute majority of 176 required on the first round, the 185 votes of his own party will be sufficient on the second.

The theme of his programme was "continuation without rupture." He paid homage to Sr. Adolfo Suarez, the outgoing Premier, but then carefully distanced himself by offering a more pragmatic and conciliatory approach to government.

Although selected by King Juan Carlos and approved by his own Union de Centro Democratic (UCD) party, Sr. Calvo Sotelo must seek a parliamentary vote of confidence before being confirmed in office. This is the first time that such a procedure has been adopted since the constitution was approved in 1978.

He promised top priority to reducing Spain's dependence on imported energy and on fulfilment of the 1977-87 energy plan. A major measure would be the creation of a holding company to act as an umbrella for all the various interests.

He also promised to cut current public spending by some Pta 30bn and singled out the need for the private sector to *invest more to create jobs*.

On foreign policy, he reaffirmed Spain's European vocation but would concentrate on four aspects of relations with the country's immediate neighbours: breaking down the barrier of *misunderstanding* and ignorance with Portugal; improving relations with France; adherence to the Lisbon agreement on the future of Gibraltar; and improved contacts with the Maghreb.

On the controversial issue of NATO, he said he would consult the parliamentary parties with a view to ensuring majority support for membership of the alliance.

In a cautious reference to the recent death in police custody of an ETA suspect, the Prime Minister said that the State Prosecutor would have greater authority to monitor detentions.

Bonn goes to Court over EEC budget

BY JONATHAN CARR IN BONN

THE WEST GERMAN Government is to appeal to the European Court against the EEC supplementary budget for 1980 and the budget for 1981 approved by the European Parliament last December.

The Cabinet decision yesterday, taken with evident reluctance, puts an end to a cat and mouse game over the issue which has been going on since the end of last year.

Both the West Germans and the French feel the Parliament exceeded its authority in passing budget sums as high as it did, and the two countries are withholding part of the payments.

The question so far has been whether Paris or Bonn would appeal to the Court for a ruling or whether the European Commission — *as guardian of the* treaty of Rome — would do so.

Bonn has taken the step because it has become increasingly clear that the French will not, and the procedures to be followed by the Commission are so lengthy that Bonn might lose all right to appeal. If no appeal had been lodged by March 1, this could have been taken *legally* to imply acceptance of the budget.

Bonn and Paris have the same main reason for opposing the supplementary budget sum: namely, that it does not represent "unforeseeable and unavoidable expenditure" in *accordance with EEC rules.*

They argue that of the total 366m European units of account passed by the Parliament, only 100m EUA for aid to victims of the Italian earthquake disaster were fully eligible for a supplementary budget. Bonn also says that the Commission is unable to disburse the full sum approved by Parliament in respect of 1980.

The level of the supplementary budget also conditions the margin of manoeuvre enjoyed by the Parliament to increase this year's budget sum. Hence, non-acceptance of the former automatically implies opposition to the latter.

If the Parliament's view were upheld by the Court, Bonn would have to pay DM 240m more for last year and possibly an extra *DM 170m for this*. Officials say that, while there is a fierce squeeze on the Bonn budget at present, the extra money would *be found if the* Court demanded. The aim is to gain legal clarity.

However, contacts with Paris have shown that the French see the budget issue as one of principle and might well defy a Court ruling against them.

Psychiatrist arrested by KGB

The KGB have arrested Mr. Anatoli Koryagin, a psychiatrist who diagnosed as sane a dissident worker from Donetsk who has been placed in the Dnepropetrovsk special psychiatric hospital, writes David Satter in Moscow.

Dissidents said that Mr. Koryagin, a *psychiatrist at the* Kharkov Psycho-neurological Dispensary, was taken off a Kharkov to Moscow train at Belgorod on Friday and placed under arrest.

In an interview last month with the Financial Times in Kharkov, Mr. Koryagin said that Mr. Alexei Nikitin, a dissident worker who accompanied *myself and Kevin* Klose, Moscow correspondent of the Washington Post, on a visit in Donetsk in December, to learn about the conditions of Soviet workers, was sane.

Three days after we left Donetsk, Mr. Nikitin was seized and taken to a local mental hospital. He was later moved to the Donetsk prison and taken to the *Dnepropetrovsk special* psychiatric hospital for the criminally insane.

Mr. Koryagin, in the interview last month, said that Mr. Nikitin, who he examined last September, was psychologically healthy and had a set of typically Russian personality traits.

French trade deficit

France last month had one of its highest monthly trade deficits for several years, writes Terry Dodsworth in Paris. Heavy energy imports led to an imbalance of FFr 8.4bn (£715m). Excluding energy, which cost FFr 13.7bn, there would have been a surplus of FFr 6.6bn. Last year's trade deficit was FFr 60.4bn (£5.15bn).

Lisbon warning

Sr. Francisco Balsemao, the Portuguese Prime Minister, has warned people they will face a 100 per cent rise in electricity rates if they use too much power. The Government has already rationed electricity in its bid to cope with the power crisis caused by the worst drought in 50 years, Diana Smith reports from Lisbon.

Irish imports down

IRELAND'S visible trade balance improved slightly in January, Stewart Dalby reports from Dublin. The deficit was I£174m (£128m) compared with I£181m (£133m) in *December*. Total imports in January were I£493m—a drop of I£13m over the previous month.

Bundesbank likely to raise the Lombard rate

BY STEWART FLEMING IN FRANKFURT

THE Central Council of the Bundesbank, the West German central bank, is meeting today to try to chart a course which will halt the protracted slide in the value of the D-Mark on the foreign exchanges.

In spite of the possibility of a recession, there are widespread expectations that the *central bank will take a decision* to raise the Lombard rate (at which it grants credit to banks) from the current 9 per cent, thus underlining the upward drift of West German interest rates over the 10 per cent level.

It is equally clear, however, that there are strongly differing views about the wisdom of adding to *the burdens already* afflicting West German industry. Weakening domestic demand, rising costs stemming in part from the Mark's decline, and sinking capacity utilisation are already cutting into the profitability of West German companies.

Because of their relatively narrow capital base, particularly for the medium-sized and family firms, financing costs are a critical component of the corporate cost structure. Normally at this stage in the economic cycle, West German companies could expect these financing costs to be falling as opportunities opening up to take on additional long-term finance at low interest rates.

It is feared therefore that by sticking to its current interest rate policy, and underlining it by raising official rates, the central bank could deepen the economic downturn and finally interest rates and the uncertain reception awaiting President Reagan's economic package in the markets, deciding what policy initiatives the Central Bank should make is a thankless task.

could also find itself saddled with the blame for causing a recession.

On the other hand, it is argued that if the Bundesbank does not fulfil the expectations of the foreign exchange markets, by for example raising the Lombard rate or putting limits on the availability of Lombard credit, its commitment to defend the currency will be thrown into doubt. The Mark will then come under further pressure, *adding to the dangers* of importing inflation and reducing even further dwindling prospects of an improvement in the German account deficit.

Even those who favour a higher Lombard rate are aware of the risks. With the foreign exchanges in their current capricious and volatile mood, and against the background of the *uncertain outlook for U.S.* interest rates ...

The West German Government has rejected sweeping proposals to break the monopoly of the Post Office on certain key communications markets, writes Roger Boyes in Bonn. With a sales turnover of DM 38.5bn (£7.2bn) profits of DM 5bn, and estimated investment this year of DM 12bn, the Bundespost is the country's largest enterprise.

The independent Monopolies Commission claims that some of this immense investment capacity could be used more creatively if private enterprise were given more of a foothold in the market, for example, for facsimile machines, communal aerials and telephone accessories.

This would lower prices, spread the investment in the economy more equitably and encourage private innovation.

The Commission has only an advisory capacity and Bonn has rejected the recommendations, arguing that a telecommunications monopoly is necessary to counterbalance the traditional loss on postal deliveries.

Deadlock over Brokdorf N-power plant

BY ROGER BOYES IN BONN

THE CONTROVERSIAL Brokdorf nuclear power station has been pushed firmly into the no-man's-land of West German energy policy. Following talks on Tuesday night, the Hamburg Government seems determined to withdraw from the project, while the state of Schleswig Holstein, where Brokdorf is situated, is equally determined to go ahead.

There appears to be no ready solution to this tug-of-war which mirrors the confusion in Bonn's nuclear strategy, but the advantage seems to lie with the Christian Democrat-controlled administration in Schleswig Holstein.

Herr Hans Ulrich Klose, Hamburg's mayor, tried to persuade Dr. Gerhard Stoltenberg, the Schleswig Holstein Premier, to stop work on Brokdorf for three years, after which the project could be reconsidered. Dr. Stoltenberg refused, arguing that the north of country could not do without nuclear energy. Today he will issue a construction permit.

Herr Klose, unlike some members of his government, is fundamentally opposed to Brokdorf partly because it would make Hamburg 70 per cent dependent on nuclear-produced electricity. He now has to persuade the Hamburg electricity company, which has a 50 per cent stake in Brokdorf, to withdraw. Its legal commitment runs to 1983 and there are no easy escape clauses. Withdrawal could cost several hundred million Deutsche Marks in damages.

Hamburg owns 72 per cent of the company and such a financial burden would have to be *approved by the city parliament.* It is by no means certain that Herr Klose would secure its backing.

China oil production estimates revised

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

CHINA'S OIL production, which totalled 106m tons last year and was originally expected to rise to 240m tons by 1985, is now expected to fall to below 90m tons by the mid-1980s.

This was disclosed to Mr. Saburo Okita, Japan's Special Trade Representative, by top members of the Chinese Government during talks last week on the recent spate of Chinese plant contract cancellations.

The decline in production was put down to declining yields at Daching, China's largest on-shore oil field. *Production from China's new offshore areas will not begin* until after 1981.

Responsibility for what is now seen as the gross overoptimism of oil production forecasts made in the past is being pinned on China's outgoing premier, Hua Guo-feng. Hua was in overall charge of the economy in 1978 when a *long-term plan incorporating* the incorrect estimates was issued.

The optimistic forecasts provided the basis for the $20bn long-term trade agreement between China and Japan under which Japanese plant exports were to be paid for by means of rapidly increasing shipments of Chinese oil.

China exported 7m tons of oil to Japan in 1978, the year in which the agreement was signed, but was due to increase this to 9.5m tons in 1981 and 15m tons in 1982.

It now appears likely that China may be able to ship a maximum of 7.8m tons of oil this year, with the possibility of a reduction next year. Talks on 1981 shipment volumes are at present under way in Peking with one of the two Japanese import consortia handling Chinese oil.

The agreement was, technically, a private understanding between two trade associations formed to promote Sino-Japanese trade. In reality, however, it had the full support of the Japanese government.

Robert Matthews in Paris adds: The French Total group announced yesterday that traces of oil in the South China Sea after only five weeks of drilling. The traces were discovered in the Gulf of Beibu, some 20 kilometres from the archipelago of Leizhou at a depth of 20 metres.

The exploration for oil in the Gulf of Beibu is being undertaken by Total China, a subsidiary of the Compagnie Française des Petroles (CFP).

The final evaluation of the traces will not be made until the present drilling operation has been completed, at a date to be announced later.

Kevin Rafferty writes from Manila: Pope John Paul last night appealed for a restoration of links between the Roman Catholic Church and China, which have been fractured since shortly after the Communists took over in Peking. The Pope's speech was the strongest call of his second day in the Philippines—Asia's only Christian country.

The struggle for Walesa's ear within Solidarity's ranks

BY LESLIE COLITT, RECENTLY IN POLAND

THE POLISH leadership and the Solidarity trades union movement are groping to achieve an understanding. This could be the last chance to avoid a crackdown on the union which would provoke an angry backlash from its 10m members. But can a mass movement which has technically won its struggle but is unable to assume power, achieve even a fragile modus vivendi with the beleaguered Communist Party of Poland?

Solidarity is not Mr. Lech Walesa alone. Nor is power lodged solely in the union's crumbling Gdansk headquarters in the Ulica Grunwaldzka.

The movement's strength, and its weakness, lie in its regional structure which from the outset was strongly opposed by the man who gave Solidarity its name. Fearing that regional branches would be overpowered by the authorities, Mr. Karol Modzelewski, spokesman for the union's presidium, originally wanted a strong, if not dominant, national organisation.

Ironically, the opposite has happened because of the militancy of local Solidarity chapters. Mr. Walesa and his aides have spent much time rushing from one district of Poland to the next to head off *fresh strikes*. The issues have ranged from corrupt local officials to the handing over of Communist Party holiday homes to the people.

Local Solidarity activism was seriously underestimated by Mr. Walesa and his advisers in their far-off Gdansk HQ as was revealed during recent meetings of the union's National Consultative Commission.

Delegates from the provinces rose to complain bitterly of billion-zolty Communist Party rest homes which the authorities were refusing to cede to the populace, complaints which seemed like petty issues to *those among the 54 delegates* from Poland's largest cities.

Mr. Zbigniew Bujak, who heads Solidarity in Warsaw, told *the assembly "we have enough* holiday homes" and urged it to return to more vital issues. Mr. Walesa agreed.

A representative from Katowice then rose to say he fully supported the small Solidarity unions which he *insisted must be backed by the* union's National Commission. Faced with this appeal to its conscience, the assembly, including a rather sheepish-looking Mr. Walesa, voted overwhelmingly to support the small branches.

Describing himself as a "man of the moment," Mr. Walesa is often swayed by whoever has his ear at that moment, which explains the union's often rapid *shifts in policy.*

The men counselling Mr. Walesa represent three main sources of influence in Poland.

These are the Catholic Episcopate led by the redoubtable Cardinal Stefan Wyszynski, the Club of Catholic Intelligentsia (KIK), founded by Mr. Tadeusz Mazowiecki and KOR, the Social Self-Defence Committee led by Mr. Jacek Kuron which is Moscow's prime "counter-revolutionary" target.

Advisers belonging to the first group are usually a moderating influence on Mr. Walesa. But some of the more active Solidarity leaders are from this group which also voices the feelings of many rank and file workers.

KIK, founded in the 1950s, is a liberal, heterogeneous body *whose members normally pro*vide conciliatory views. KOR, which gave birth to Solidarity by aiding Mr. Walesa after he was sacked *from work in 1976*, has recently been urging workers not to press their demands too far.

Mr. Kuron, a stocky, balding man in his mid-forties was told to tone down his outspoken views on the Soviet system and was kept occupied by being put in charge of family allowances. Now he has become a member of the union's Social Research Centre, a brains trust which is to provide the union leadership with expertise on such pressing issues as rationing and economic reform.

Mr. Walesa still feels he owes a large debt to Mr. Kuron and if he or other leading KOR members were ever to be taken *into custody as was recently* suggested by one Politburo member, Solidarity leaders say there would immediately be a *general strike.*

Many of the members of Solidarity's 11-man presidium or executive display both the *militancy* and *moderation* of men who are fighting for their ideals but who also realise they cannot be achieved by endless confrontation with the seriously-weakened Polish Communist Party. The include Mr. Walesa's deputy, Mr. Bogdan Lis, a 27-year-old former shipyard worker who wears a silver cross in his lapel and notes he is still a member of the party. Reacting to Soviet charges that Solidarity is "anti-socialist," Mr. Lis's gaze hardens; he says that before last August anyone in Poland who spoke of the *economic situation being critical* was labelled anti-socialist.

The influence of the independent union reaches deep inside the Polish Communist Party. Some 600,000 out of the party's 3.2m members are in Solidarity. Employees of most Polish Government ministries, apart from Defence and Internal Security, now have Solidarity branches.

Even the union's bulletin *board in the lobby of the* Finance Ministry demands "freedom for political prisoners" and a public showing of the banned documentary film "Workers 80" about the August strikes.

In the six months since it was created, Solidarity has developed into more than a union although its leaders are careful to disavow any political aims. As one Catholic weekly in Poland has said, Solidarity is the nation's "moral repository" and must never forget that its main task is to "control" the Government and not to enter into agreements with it. But can Solidarity and the authorities move from perpetual conflict endangering both of them to consultation on Poland's most burning economic and social issues?

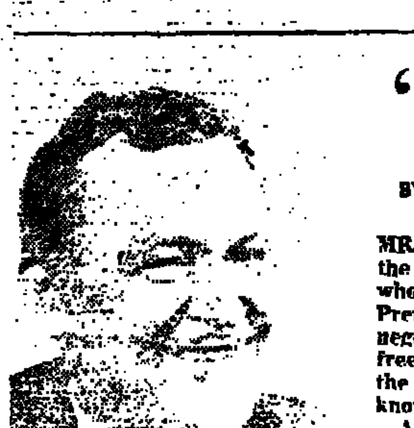
Dr. Bronislaw Geremek, an historian and member of the Social Research Centre has been one of Mr. Walesa's most respected KIK advisers since last August. At that time, he petitioned the Government and Solidarity to negotiate and seek a social contract in the "national interest."

Today, he says, both Solidarity and the Government are still unable to negotiate as "we have not had the time to learn while the Government has had no experience in negotiating with the people." Dr Geremek explains that until last year the authorities merely had their dialogue with the Church and are now using the same habits of "speaking from *one hierarchy to another*" in dealing with Solidarity.

The Government, he says, must recognise that the union is made up of many factions and is always under great pressure from its regional branches. This advice comes as Mr. Mieczyslaw Rakowski, a Deputy Prime Minister, is seeking a moratorium with Solidarity on the endless crippling strikes. However, it may be asking too much to expect sympathy for the union's problems from the Polish Communist Party which is under the severest pressure from Moscow to divide and weaken the Solidarity movement.

'Mr. Poland for foreigners' takes on the free unions

BY PAUL LENDVAI



● Mr. Rakowski (left): well-known in the West.

MR. Mieczyslaw Rakowski, the 54-year-old journalist, who was appointed Deputy Premier last week to handle *negotiations with Poland's* free trade unions, is one of the Polish intellectuals best known in the West.

After the "Polish October" of 1956, he became editor of the weekly Polityka and a *trusted adviser to Mr. Wladyslaw Gomulka*, the purged Party leader whome the first major wave of political dissatisfaction had carried back into power.

Under Mr. Rakowski, Polityka has become a highly *successful critical weekly with* a circulation of 300,000. An alternate member of the party's Central Committee since 1965 and a deputy since 1966, he displayed considerable political and moral courage *in 1968 at the time of the* rabid anti-intellectual and anti-semitic campaign, presided over by the then Minister of Interior, General Mieczyslaw Moczar.

His newspaper was perhaps the only major periodical to remain aloof from the racialist undertones of that exercise which caused the *exodus of the remnants of* Polish Jewry. After the riots of December 1970 had overthrown the Gomulka regime, Mr. Rakowski became more influential, though his relations with Mr. Edward Gierek, *the new Party Secretary, were* never so close as with Mr. Gomulka. By 1975, he moved up to become a full member of the Central Committee.

Mr. Rakowski was one of the first public critics of the Gierek era and for the past three years his relations with Mr. Gierek have been cold in the extreme. As early as the autumn of 1979, he called for "a moment of truth" and his series of articles were widely read. During the decisive days of August and September last year, he played an important role as one of the most *eloquent advocates of a recon*ciliation with the Roman Catholic Church and the disaffected workers.

But his prestige is considerably higher in the West than among the dissident intellectuals in Poland. There he is sarcastically called "Mr. Poland for foreign consumption." In turn, Mr. Rakowski regards the KOR group and its spokesmen, Mr. Adam Michnik and Mr. Jacek Kuron, as "hotheads with no feeling for political realities."

He is a man in favour of institutional reforms but also *of close alliance with the* Soviet Union and an advocate of candour and dialogue who seeks to contain the reforms within limits acceptable both to the masses and a suspicious Kremlin.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

هكذا من الاصل

£86m mine expansion project for Wankie

By Michael Holman in Salisbury

THE WANKIE Colliery Company yesterday announced financing details of its Z$128m (£86m) opencast expansion project. It is one of the biggest ever private sector investment programmes in Zimbabwe.

Zimbabwe's sole coal producer, controlled by the Anglo-American Group, said its new open-cast mine will produce a minimum of 3.9m tonnes of coal a year, starting late in 1983, to supply the country's new thermal power station being built at Wankie in northwest Zimbabwe. It will prevent "a serious power shortage" from occuring in the mid-1980s. Remaining coal production will maintain coal supplies to both export and domestic markets.

The International Finance Corporation of the World Bank is lending Wankie $20m (£9m): a consortium of international banks, led by the Chemical Bank of New York is lending $18m (£8m), plus a further $10.3m (£4.5m) for the purchase of equipment from the U.S.; and the U.S. Export Import Bank an amount of $33.3m (£14.7m).

The balance of the investment, amounting to some Z$76m will be provided by a consortium of Zimbabwean banks fro mthe local market, a rights issue by Wankie to its 6,000 shareholders and Wankie's internal resources.

The local bank consortium will lend Z$35m over seven years at a rate of 1.75 per cent bove the ruling prime overdraft rate which is currently 7.5 per cent. This is vastly cheaper than the rate being paid on the IFC and Commercial bank loans and slightly lower thn the 8.75 per cent Wankie is paying for its U.S. Export Import Bank funds over 14 years with a 4-5 year grace period.

Michael Holman and Christopher Sherwell report from Bulawayo on the lessons of last week's fighting

Perils for Mugabe from the warring armies

FOR A short period last week, Zimbabwe came close to disaster. Mr. Robert Mugabe, the Prime Minister, was obliged to enforce law and order with a combination of white-officered soldiers of the former Rhodesia African Rifles and a threat to use the white air force against guerrillas loyal to his government partner, Mr. Joshua Nkomo.

Both institutions were inherited from the Government of Mr. Ian Smith and have remained substantially intact. It is thus the same air force whose Hunter and Canberra jets regularly bombed camps of Mr. Nkomo's Zipra fighters in Zambia and Mr. Mugabe's Zanla forces in Mozambique.

The irony has been lost on no one and was a vivid illustration of the Government's failure to resolve the single most pressing problem it faced at Independence last April. Mr. Mugabe and Mr. Nkomo have so far proved quite unable to agree on a policy which wil end their armies' bitter rivalry and lay the foundations for a truly national, apolitical force.

Last week's violence, in which some 300 lives were lost, has made this task even more formidable. It has exacerbated their political differences and weakened the cohesion of the Government of national unity. But, if the two civilian politicians fail, there are impatient men in Zipra and Zanla who believe a military solution will achieve better results.

This week, Mr. Emmerson Munangagwa, the National Security Minister who is chairman of the armed forces' Joint High Command, said that those responsible for the violence would be disciplined, that all guerillas would be "systematically disarmed," and that the process of creating a national army could continue. But it is difficult to see how this can be done.

The differences between Mr. Mugabe and Mr. Nkomo are deep-rooted. They reflect the broadly tribal division of Zimbabwe's people into the 18 per cent Ndebele and the Shona, who make up the remainder. Before last week's dramatic events, violence had erupted many times.

Bulawayo's Entumbane township was the scene of the worst of last week's fighting when the rivals clashed once again. Trouble also flared in three battalions of the 11,000-strong national army, which comprises equal numbers of men of both forces.

The most serious unrest occurred at Connemara barracks, 20 miles north of the midlands town of Gwelo and a mile off the main Salisbury to Bulawayo road. About 50 men died and the road was closed to traffic. In one incident, Government forces destroyed three Zipra armoured cars making their way to Entumbane in a 30-minute battle in the heart of a white suburb of Bulawayo.

When the unrest was at its peak last Thursday, Bulawayo, the country's second largest city, came to a standstill. Entumbane itself was on the brink of civil war and troops of the former Rhodesia African Rifles laid down mortar fire directed by air force helicopters.

Shops, banks, offices and schools in the city were closed. Thousands of black township dwellers fled as the city underwent a trauma never experienced during the seven-year war of independence.

Perhaps the most serious outcome of the past few days is the confirmation that the Government is without a credible policy to deal with the integration of the three armies which fought the war.

Some progress has been made. Some 100,000 men were under arms 15 months ago. Since then reservists have been stood down, and black auxiliary units as well as the Rhodesian Light Infantry, the Selous Scouts and the Grey Scouts have been disbanded. But the scale of the problem remains formidable.

Towards the end of last year, at least 25,000 guerrillas remained in rural camps, about a third of whom were Zipra. Much to the dismay of local residents, another 6,000 Zanla and 3,000 Zipra men were moved to fenced compounds in Entumbane and Salisbury's Chitungwiza township. A further 11,000 had been "integrated" under a British-led training programme into nine battalions of the national army.

There is no doubt that moving bored and frustrated armed men to the townships was a disastrous mistake. The Zipra units moved out of Chitungwiza last month although Zanla remains. It took the violence of last week to bring about the move of Zanla and Zipra from Entumbane to camps well away from the city.

Meanwhile the national army—never an institution inspiring much confidence—has "collapsed" as one Minister in Bulawayo privately admitted last week. Zipra and Zanla men in the three troublesome battalions have been sent to separate camps and senior Zipra officials say that, for the time being at least, they are unlikely to send more men into the national army.

What the Government now does with the rival guerrillas is unclear. The fighting has made the men even more edgy and those still armed remain determined to hold on to their weapons—with more cached outside their camps.

It is doubtful whether either Mr. Mugabe or Mr. Nkomo have sufficient authority over their men, or enough trust in each other, to order them to surrender their arms.

Land resettlement programmes might help. But the guerrillas seem unlikely to be tempted to become small-scale farmers, who are hard pressed to earn more than the current guerrilla "wage" of Zimbabwe $100 (£65) a month.

Last month's Cabinet shuffle by Mr. Mugabe involved a skilful balancing act. It allowed him to remove the fiery Mr. Edgar Tekere, acquitted of a murder charge on a technicality. He also demoted Mr. Nkomo, while compensating his party with an extra portfolio. This leaves Mr. Nkomo's Patriotic Front—which won 20 of the 80 black seats against Mr. Mugabe's 57—with five seats in a 27-member Cabinet.

But this has led to serious rumblings in Mr. Nkomo's party. Meanwhile, high-ranking Zipra officers bitterly resent the use against them last week of the Rhodesian Africa Rifles and the threat of air force strikes.

Despite his minority base, Mr. Nkomo clearly plays a critical role in maintaining stability in Zimbabwe. But he is coming under increasing pressure. Within Zipra, there are some who, regardless of the consequences and the fact that they can expect no support from outside, want to pull out. They are becoming restless. Unless he can control this group, Mr. Nkomo may find himself a hapless spectator whose influence for peace is diminished, not increased by his role in central Government.

GLEAMS OF HOPE FOR ECONOMY

BY OUR SALISBURY CORRESPONDENT

THE ZIMBABWEAN economy has performed far better than seemed remotely possible a year ago, and real growth in 1981 should exceed last year's 8 per cent, and could reach double figures.

Possibly the most dramatic evidence of Mr. Mugabe's initial economic success is that more white commercial farmers are on the land than there were a year ago. They had been expected to leave. Instead, many will earn bumper profits from their maize crops because of a 40 per cent rise in the Government's buying price. At the same time, maize will be exported, a stark reversal from last year, when Zimbabwe imported maize from South Africa.

Even before last week's fighting between factions in the National Army around Bulawayo, in which at least 300 people died, the levels of foreign investment and foreign aid were regarded in Salisbury as disappointing.

Yesterday's announcement by the Wankie Colliery Company that it had secured Zimbabwe $52m (£37m) in external financing for its open-cast expansion project is highly encouraging for both Government and business. However, the continuing uncertainty over the disbanding of the guerrillas that took part in the Independence war is bound to impair the investment climate and the country's investment image internationally.

Similarly, the Government's recent purchase of a controlling interest in Rhobank, Zimbabwe's second largest bank, has aroused concern among businessmen. A comprehensive statement on foreign investment is still awaited from the Prime Minister.

The Government is nevertheless expecting substantial pledges from the international community at a donors' conference in Salisbury next month. It wants Zimbabwe $1.2bn (£800m) for rural development, land resettlement, reconstruction and rehabilitation of refugees.

Capital inflows are vital for the balance of payments. A Government forecast last week puts the current account deficit over the 1981-84 period at Zimbabwe $500m a year.

Prof. Yadin to retire from Israeli politics

By David Lennon in Tel Aviv

ONE OF the most extraordinary sagas of Israel's political life was expected to end last night with Professor Yigael Yadin, the deputy Prime Minister, announcing his retirement from politics.

The noted archaeologists seized the public imagination four years ago when he formed a new political party, the Democratic Movement for Change, which promised the voters a new alternative to the established parties. But after years of compromise, his party has disintegrated.

A public tired of broken political promises and disillusioned with the Labour Party which had ruled for 29 years gave the new party 15 seats in the 120-member Knesset. This was a dramatic achievement but not quite enough to make the DMC the pivotal party.

Having hoped to be in a position to force the Labour Party to mend some of its ways as the price of forming a coalition, the DMC found to its chagrin that by robbing Labour of voters, it had in fact left the way open for the Likud bloc of Mr. Menahem Begin to asume power for the first time in the history of the State.

When Mr. Begin quickly built a coalition without the DMC, the party was left in the wilderness. Rather than face four years on the back benches, Prof. Yadin decided to accept Mr. Begin's offer to join the coalition.

But to do so, the DMC had to abandon some of its declared principles.

Last night, Professor Yadin was expected to announce that he will retire from politics at the end of the present Knesset and that he will not ba a candidate in the June general elections.

Libya 'considers Nigeria plan to pull troops out of Chad'

BY MARK WEBSTER IN LAGOS

LIBYA is considering a plan worked out with Nigeria under which it would pull its troops out of Chad in return for a French withdrawal from the Central African Republic, Nigerian officials say.

The prospective deal was apparently struck during an often stormy meeting in Lagos last weekend between President Shehu Shagari of Nigeria and Major Abdelsallam Jalloud, Libyan Prime Minister. Major Jalloud returned to Tripoli for talks with Colonel Muammar Gadaffy, the Libyan leader, and an answer is expected before the end of the week.

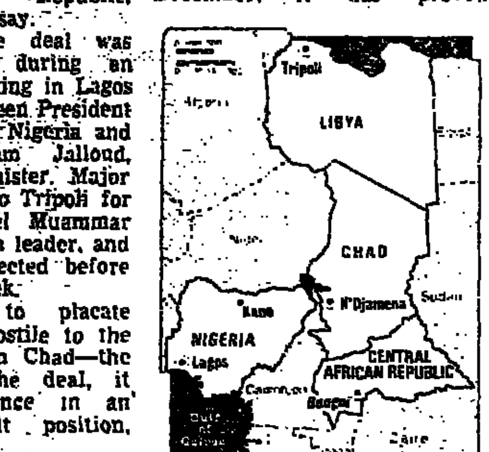
If—in order to placate African opinion hostile to the Libyan presence in Chad—the Libyans accept the deal, it would place France in an extremely difficult position, diplomats say.

France has about 1,300 troops propping up the shaky régime of President David Dacko, but it would also not wish to harm its growing commercial ties with both Libya and Nigeria.

"We recognised that the French factor is just as disturbing as the Libyan factor," one Nigerian official said. Nigeria has been highly critical in the past of what it sees as France's "neo-colonial" role in Africa.

The Nigerian official said President Shagari told the Libyan envoy bluntly that Libyan troops could not stay in Chad. "We told them categorically that there was much concern in Africa, and that they had to get out," he said.

Nigeria is a recent convert to the anti-Libyan lobby, but since Libyan troops openly intervened in the 16-year-old civil war last December, it has proved Tripoli's most vigorous opponent. The change of heart in Lagos is thought to follow alleged Libyan involvement in Moslem fundamentalist riots in the northern city of Kano last December.



Nigerian officials accept that their early neutral stance on Libyan covert involvement in Chad was largely responsible for the power vaccuum which enabled Colonel Gaddafy's troops to step in. "If we had been more decisive at the start, we might have avoided this," the official added.

The fear shared by a number of African countries is that Libya will use Chad as a base for destabilising their own governments. They believe that Col. Gadaffy's ultimate objective is to establish an Islamic state throughout the Sahelian region.

Libya now has an estimated 8,000 troops with a large amount of hardware in the country. Nigeria has countered by considerably increasing its own forces along its common border with Chad and near the Cameroon border close to Chad.

But the Nigerians are anxious to keep a dialogue going with Tripoli. They said their ambassador had returned to Libya after consultations, and the Libyans were welcome to return their ambassador to Nigeria, as long as he represented a full diplomatic mission and not a People's Bureau.

David White adds from Paris: The French Foreign Ministry said yesterday it had no knowledge of Nigeria's reported proposal. It said that a call for French troop withdrawals from the Central African Republic would be contrary to the Nigerian position set out here just over three weeks ago by Mr. Ishaya Audu, the country's Foreign Minister.

Reuter adds from Lagos: Lord Carrington, Britain's Foreign Secretary, held talks here yesterday with his Nigerian counterpart, Mr. Audu, which were expected to centre on African issues and bilateral trade.

Why French troops are in Africa

BY DAVID WHITE IN PARIS

FRANCE WAS taking a calculated risk, when, in the aftermath of the Libya-Chad anschluss, it proposed to reinforce its military presence in Africa. The risk was not so much of immediate confrontation as of stirring up the whole issue of its African bases.

Its gesture, which falls short of what some French-speaking African Governments would want, has inevitably caused the military aspect of France's Africa policy to dominate its image there. Nigeria, which has attacked France in the past, has hitherto been discreet during its consultations with Paris over Chad.

But others—such as President Nyerere of Tanzania, have asked fresh question about what French troops are doing in Africa.

Since France pulled its troops out of Chad in May last year, French troops have not been directly involved in any African conflict.

Comforted by the unanimity with which other African countries—not all pro-Western—condemned Libya's intervention at the Lome talks on Chad last month, the Government brushed aside Left-wing criticis at home and tried to restore the credibility of the French military "umbrella" in the central and western regions of the continent.

This has so far meant bolstering the French contingent in the Central Africa republic from 90 0to 1,300; moving in some Jaguar fighter-bombers; sending more instructors to Niger where there are no French combat troops; holding a series of talks with African leaders; and dispatching a military mission to Sudan, the country France believes is most directly threatened by Libya's expansion.

It is hard to see how, in a diplomatic trade-off over Chad, France could now reverse its decision regarding the Central African republic without being accused of dumping a government which was itself installed by French troops only 18 months ago. It was already questionable whether French reinforcements would suffice to convince traditional allies that they could count on Paris for an effective line of defence against Col. Gaddafy towards whom French policy has been ambiguous.

President Giscard d'Estaing went on television recently to defend his foreign policy against charges of weakness. He reassured African allies (France has defence treaties with six African countries and technical military agreements with 18) that help was there for the asking.

He reminded viewers that France was the only Western country to have taken an active role recently in Africa. But he also made a strong point of saying there would be "no return to colonialism."

France has embarked on long-term policies in Africa that go beyond propping up lame French-speaking governments, seeking to extend its influence in English-speaking Africa and in Soviet-aligned countries and to promote a "trilogue" between Europeans, Africans and Arabs.

The complex diplomatic game being played by the French was illustrated when M. Jean Francois-Poncet, the Foreign Minister, went to the Ivory Coast, to assuage France's best ex-colonial friend, and then to Angola.

The recent reinforcements were decided by President Giscard, prompted by M. Galley, the Co-operation and Defence Minister, and by M. Martin Kirsch, the third in a dynasty of powerful presidential advisers on Africa. M. Giscard, who has not been to Africa himself since 1979, evidently concluded that something had to be done to recover France's standing, after the first outright loss of a zone of French inflence since decolonisation.

A French presidential spokesman said that troops had been sent to the Central African republic at that country's request and would stay there as long as they were required. Their role was restricted to the country's defence.

REAGAN'S ECONOMIC PLAN

Fed 'must persevere with restraint'

By Our U.S. Editor in Washington

THE FEDERAL RESERVE, the U.S. central bank, must persevere with its present policy of gradually restraining the growth of credit, according to the Administration's economic policy.

While endorsing the independence of the Fed, documents released yesterday contain a rather unusual exhortation that the central bank continue to practise what it has recently been preaching and not be tempted into an approach dictated by short term interest rate management.

"Better monetary control," the Administration said, "is not consistent with the management of interest rates in the short run. But with monetary policy focussing on long-term objectives the resultant restraint on money and credit growth would interact with the tax and expenditure proposals to lower inflation as well as interest rates."

As a working rule of thumb, the economic assumptions accompanying the Reagan package assume that the growth rates of money and credit be steadily reduced from the 1980 levels — to one half those levels by 1986."

In this oblique way, the Administration is clearly suggesting the obvious — that a dramatic decline in interest rates in the near future is not *in the offing.*

But it is also suggesting that it would be a mistake for the Fed, *whatever the pressures on* it, to find itself, as in 1979, forced into the corner of imposing credit controls.

Although the Administration documents do not say as much, it might also be deduced that if interntional monetary considera were to imply that the Fed lower domestic interest *rates so as to stem the eppreciation* in the value of the dollar, it should not take such action if it were inconsistent with domestic econmic needs.

Mr. Paul Volcker, the Fed's chairman, has endorsed the Administration's determination to reduce the budget deficit, though he has demurred over *the wisdom of deep tax cuts* this year.

President Reagan strikes while the election iron is hot

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

THE PRESIDENT proposes in the American system, and Congress disposes. History has suggested that the gap between the two may often be very large and the time span lengthy.

It is in President Reagan's interest to strike while the iron of last year's election victory is hot. The longer Congress wrestles with the practicalities of his economic package, the less likelihood that its final shape will resemble the original design.

Mr. Reagan, at least initially, has several things working for him politically. This year there is a greater national consensus, for lower taxes and Federal spending than there was in 1977, for example, when President Carter unveiled bold new energy policies to a still unreceptive public and body politic.

There even appears to be a general desire, part genuine, part machiavellian, on the part of the President's political opponents, that "Reaganomics" (or "Stockmania") be given a try.

Even Mr. William Winpisinger, head of the machinists union and to the left among American labour leaders, said this week that organised labour would be well advised not to cast itself in the position of fighting the Reagan package tooth and nail from the outset—and thus be made the scapegoat for what he believes will be its inevitable failure.

On the evidence of a month in office, Mr. Reagn is likely to be a good salesman for his policies because of his skills as a communicator.

His administration has been politically astute in making clear that the centrepiece of America's social programme—old age pensions, retirement benefits and the like—are essentially untouchable. To have attacked the social foundation directly would have provided a point of unity for his opponents.

But there are just as many potential road blocks in Mr. Reagan's political future as confronted President Carter. The Congressional Democratic leadership has already made it clear that it will not accept the package *approach recommended* by the President, but will approach his programme piecemeal.

Many Democrats have spent their political lives creating Federal programmes of real, not imagined worth. They accept the need for reductions but not for destruction.

Moreover, *the* congressional process is now so complex that just about every Congressional committee will want to examine those parts of the Reagan programme which affect respective freedoms. Many of these overlap: *if it became too complex to* follow Mr. Carter's energy policies through the legislature, then it will be even more so with Mr. Reagan's prescriptions.

It is also true that the Reagan programme does have the besetting if unavoidable sin of being immensely detailed. Individual proposals for lower *spending will spawn countless* political wars, in which the special interest groups which made Mr. Carter's life so miserable will seek to protect their own interests.

Yesterday's documents, for example, contain a variety of broad proposals to reduce, and in some cases eliminate Federal subsidies for *artistic* and humanitarian programmes. The Administration believes the private sector is more than capable of picking up the slack in support for museums, non-commercial broadcasting and scientific research, *to name but three* on the target list. But it is a certainty that organisations in these fields will move might and main to deflect the budgetary axe.

And their clout is minimal to the really powerful lobbies — farmers, highways, cities and the medical profession — who have already begun to muster their defensive armoury.

Some of the proposed Reagan cuts will also be difficult for congressional Republicans to accept. Like Mr. Carter before him, Mr. Reagan *has again* taken dead aim at what he sees as unnecessary and expensive water projects in the western half of the country — his political heartland. It is an open question whether the likes of Senator Howard Baker, the Republican majority leader from Tennessee, will support reductions in the spending authority of the Tennessee Valley Authority.

The longer the process goes on, the more political skirmishes become out and out battles, the more compromises are made. Mr. Reagan has already upset his right-wing. His surgery is insufficiently radical, in their view.

The prognosis is that if, by political leadership and a touch of legerdemain Mr. Reagan can get swift action out of the legislature, he will be satisfied. Otherwise, like many a President before him and most obviously like his predecessor, he had better settle in for the long haul and the reward of half a loaf. Midsummer should tell which way it will go.

Budget proposals likely to be welcomed by business

BY DAVID LASCELLES IN NEW YORK

PRESIDENT REAGAN'S budget *proposals go a long way towards* meeting the demands of U.S. business and Wall Street for tax cuts, less regulations and a more predictable business climate. But they are not a complete giveaway, and not everyone is convinced they will work.

Many Federal programmes which provide business, particularly to the energy industry, will be slashed or scrapped, and there will be new taxes and charges which will hit transport in particular.

The major business proposal is the liberalisation of depre*ciation* allowances or the "accelerated cost recovery system" as it will be called. This will allow business to write off the cost of equipment and buildings in a speedier and simpler way than before—the aim being to encourage U.S. industry to revitalise itself by investing in modern plant and facilities.

In place of the present system where depreciation extends to as much as 30 years, sometimes at the whim of the internal revenue service, there will be a five-tier system in which most capital equipment can be written off in a maximum 10 years, as follows:

● Three years: light vehicles, *and machinery and equipment* used for research and development.

● Five years: other machinery and equipment.

● Ten years: factory buildings, warehouses and retail stores.

● Fifteen years: other non-residential buildings, mainly offices, and some utility property.

● Eighteen years: residences for rent.

Along with other steps to relieve business from the regulatory burden, these measures mark an extension of the industrial revitilisation programme put forward by President Carter last summer which was greeted by industry as a step in the right direction.

But there were no other tax *breaks in the Reagan package.* Corportion Tax remains unchanged, so does the controversial tax on windfall oil profits which is justified on the grounds that it creams off revenue that the oil industry would not be able to spend anyway.

The energy industry's hopes were disappointed on another front by the expected cancellation of the multi-billion dollar Carter plan to subsidise synthetic fuels, coal gasification, solar power and so on. The original idea was to channel oil profits into a government-backed drive to develop new types of energy, and there was a mad scramble last year for a shre of this potentially very lucrative business.

The Reagan Administration takes the view that the energy *industry can look after itself,* and that the recent escalation in energy prices is ample to *finance new energy sources,* particularly under the new plan to speed up exploration leasing of Federal land.

There was also bad news for the transport industry in the budget plan to slap "user" fees on government services like airports, waterways, and the coastguard. Although the sums involved are small (they will net only $2bn this year) they hit some sectors quite hard.

The toughest proposal is for a 20 per cent aviation fuel tax, doubled the previous rate, a 9 per cent passenger ticket tax, and a 5 per cent freight tax, all of which is expected to push up the cost of air travel. The airline industry which is going through a tough patch anyway is distressed.

But users of wate rtransport will also face higher costs (including weekend yachtsmen who will have to pay a boat fee) and Amtrak, the national railway passenger service will have to increase fares to make up for lost subsidies.

Heathrow extension 'can save Stansted'

THE DEVELOPMENT of Stansted as the third airport *for London could be avoided* by adding a fifth terminal at Heathrow, say the Essex and Hertfordshire County Councils in their objections to the Stansted plan.

A new terminal plus increased efficiency of the existing Heathrow facilities could nearly double its current capacity of 30m passengers a year, they say.

Contractors hit by cuts at Eximbank

By Paul Cheeseright

MAJOR U.S. capital goods exporters will be the first to feel the effect of the reduced amount of funds to be made available to the Export-Import Bank (Eximbank). But the cut of 12 per cent on the Carter Administration's authorisation had been widely expected.

The Administration argued that Eximbank's lending had only a minimal effect on U.S. exports, which had increased because of cyclical changes in the world economy.

Eximbank has sought to match the facilities offered by European competitors, especially since 1977. With the reduction in funds to $4.4bn for fiscal 1982, it is clear that this matching will now be selective.

But Eximbank has for some years considered itself to be less competitive than export credit agencies in the UK, France, West Germany and Japan. It is for this reason that the U.S. has sought—unsuccessfully—to bring the international regulations governing interest rates on export credits more closely in line with the market.

European specialists suggest that if U.S. contractors find it *difficult to obtain competitive* credits in the U.S., they may be forced to base more of their international work on their overseas subsidiaries.

Tax cuts to provide rewards for work, saving and investment

BY DAVID BUCHAN IN WASHINGTON

TO GIVE Americans more reward for work, saving and investment. President Reagan has stuck to his promised proposal to cut income tax rates by 10 per cent a year over the next three years. If approved by Congress, this would bring the current 70-14 per cent tax schedule down to a 50-10 per *cent range by January 1, 1984.*

The sums involved in the tax relief plan are large, and heavily weighted towards the individual rather than the corporations. Lost income tax revenue would total a mere $6.2bn in the current year, but rise to $44.2bn in 1981-82 and to $162.4bn by 1985-86. In contrast, extra depreciation benefits to companies would be *some $60bn by 1985-86.*

But applying "supply side" optimism to the tax-cut stimulus to the economy, Mr. Donald Regan, the Treasury Secretary, noted yesterday that these were "static" tax loss projections, based on present and sluggish levels of economic activity. He expected substantial re-flows into the Treasury as work and saving increased.

The big budget deficits the *Administration is predicting*—$45bn in 1981-82 and $23bn in the following year—could be financed very largely out of increased individual savings, flowing from the tax cuts. Other countries like Japan and Germany did this with consequent lower inflation rates

The effect of the three-year Reagan tax plan, for a family of four with a $25,000 income, would be tax relief of $153 this *year rising to $809 by 1984.*

The present legal ceiling that no American need pay more than 50 per cent of his income (earned or unearned together) will apparently stay. But the current top marginal 70 per cent rate which applies to unearned income such as dividends and bank interest would come down to 50 per cent at the end of three years.

Seeking to avoid the impres*sion of being "a rich man's* President" with spending cuts hitting the poorer hardest and tax relief benefiting them least, President Reagan rejected a plan to bring the 70 per cent rate down to 50 per cent at one fell swoop.

The administration says its proposals will bring down average individual tax receipts to a 10.8 per cent of personal income by 1984, still 1.6 per*centage points above where it* was in 1965.

OTHER AMERICAN NEWS

Mexico sets ambitious targets for nuclear power development

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO is expected to announce an ambitious nuclear programme soon, aimed at generating 20,000 MW of electricity by the year 2000.

By the end of the century nuclear power might generate as much as 25 per cent of electricity and about 5 per cent of all primary energy requirements.

Mexico's first nuclear plant is under construction at Laguna Verde in the state of Veracruz. Sr. Alberto Escofet, head of the state-run Federal Electricity Commission, told a conference in Acapulco this week that the plan envisaged the building of a second nuclear power plant by 1990, an unspecified number more by the year 2000, intensi*fied efforts to find more uranium* in Mexico and the possible construction of a plant to enrich uranium.

The plan is part of Mexico's efforts to diversify energy sources. Oil and natural gas current account for 87 per cent of primary energy requirements. By diversifying, Mexico will be able to export more oil and prolong the *life of its* hydrocarbon reserves which, at the moment, are the world's sixth largest.

Mexico's desire to build up a strong nuclear industry has aroused considerable interest abroad. The U.S., Canada, France, West Germany and Sweden have recently stepped up technical contacts with Mexico in the hope of winning future contracts.

The second nuclear plant will *be built near to the first, which* is several years behind schedule. The first stage is expected to be finished in 1983, when the first of two 654 *MW light* water units will come into operation. The second plant is scheduled to start in 1984, and the two plants together will have a capacity of 2,500 MW.

The first plant at Laguna Verde will use enriched uranium, which is being processed in the U.S., but the second plant could use natural uranium if Canada's efforts to promote its Candu system are successful.

Mexico is believed to have considerable uranium reserves. The State-run nuclear concern Uramex is spending pesos 3bn (£56.2m) on exploration over the next two years in order to double proven reserves to 20,000 tonnes. Potential uranium reserves are said to be considerably greater.

Fuel prices trebled in Ecuador

BY SARITA KENDALL IN QUITO

ECUADOR'S petrol and diesel fuel prices are being trebled. This was announced yesterday by Sr. Cesar Robalino, the Natural Resources Minister. The new price of $0.55 per gallon for 80 octane petrol is still *well below international levels,* but should help control consumption of Ecuador's dwindling oil reserves and stem smuggling

Sr. Robalino said that 30 per cent of Ecuador's petrol production was being smuggled. Such fuel had helped to supply Peru's fuel needs during its re*cent attack on Ecuador.*

The Government has also introduced several other unpopular measures, including a 40 per cent increase in urban bus fares. Sr. Carlo Feraud, the Interior Minister, said: "We *know the political cost this signifies.*" He emphasised that the extra funds would be used to finance special development programmes in the southern frontier and Amazon regions, to broaden conscription, to im*prove civil defence, and to boost* projects in the energy and agricultural sectors.

The Minister insisted that the Ecuadorean Government was not entering an arms race, but was taking steps to defend the *country from outside aggres*sion.

Import taxes on cars are to be raised as are local vehicle licence charges. Larger engines will be penalised, as part of the strategy to cut annual in*creases in fuel consumption* from the current level of 12 per cent.

The Government is freezing prices on a broad range of basic goods, especially foodstuffs, to soften the impact of the new *fuel prices and to keep inflation* below last year's rate of 15 per cent.

Previous attempts to increase petrol prices and bus fares have led to widespread rioting, but this time the call to national *unity and the spirit of patriot*ism, in the wake of the border war with Peru, are expected to prevail.

Space shuttle test is delayed

CAPE CANAVERAL — Hundreds of scientists and technicians preparing the U.S. space shuttle for its first launch, already two years late, waged a losing battle against *the clock yesterday.*

The Kennedy Space Centre said in the morning that the *countdown towards a crucial* test firing of the shuttle's rocket engines had fallen 11 hours behind schedule and today's test might have to be postponed until tomorrow.

Officials of the National Aeronautics and Space Administration announced on Tuesday night that they had decided to insert an additional eight-hour "hold" period in the 60-hour *and 30-minute* countdown, delaying the engine test by at least that length of time.

An official said the reason for the extra hold was to give the technicians, who had been working seven days a week for months, a chance to rest before tackling some of the more dangerous operations in the countdown procedure.

The countdown, virtually the *same as an actual pre-launch* one, was to have ended shortly after dawn today with a 21-second firing of the aeroplane-like shuttle's three main rocket engines.

A successful test firing of the engines is necessary before the re-usable space vehicle, called Columbia, can be certified for its maiden voyage, now optimistically planned for mid-April.

Reuter

EEC pledge on aid to Salvador

By John Wyles in Brussels

Mr. Lawrence Eagleburger, who is on a special mission to Europe for President Reagan, was assured yesterday that the European Commission would try to ensure that any humanitarian aid sent to El Salvador would not go directly to the guerrilla movement there.

The European Community has delayed a decision on whether to send more than £200,000 worth of medical supplies together with quantities of food until member Governments have had a chance to hear what Mr. Eagleburger has to say.

The President's emissary, who has been nominated Assistant Secretary of State, has *brought* a *dossier of* alleged Soviet and Cuban interference against the ruling junta in El Salvador with the aim of attracting more European support for the junta.

Distribution of the Commission's proposed aid package would be handled by the International Red Cross. Mr. Gaston Thorn, the Commission's president, told Mr. Eagleburger that guarantees that the aid would go only to those in need would be sought before any final decision is taken.

Reagan plans Ottawa visit

By Victor Mackie in Ottawa

PRESIDENT Reagan is to visit Ottawa on March 10 and 11, it was disclosed in Ottawa yesterday.

President Carter was due to visit Ottawa in November but had to cancel at the last minute because of developments in the hostage situation.

Mr. Reagan wanted to visit Mr. Pierre Trudeau, Canada's Prime Minister, prior to his inauguration but Mr. Trudeau had already made plans for a holiday in Austria and a world *tour.*

Under discussion when the leaders meet will be Canada's role in the North Atlantic Treaty Organisation, the President's North American concept for trade and energy and problems that have caused anxiety on both sides of the border in the past year including the U.S. Senate's refusal to ratify two countries' fisheries agreement.

WORLD TRADE NEWS

Mitsubishi plans $100m Indonesia engine factory

BY RICHARD COWPER IN JAKARTA

MITSUBISHI, a leading Japanese motor manufacturer, has made a formal proposal to establish a $100m (£44m) engine plant in Indonesia.

The Department of Industry in Jakarta received the proposal this week. It embodies a plan in several stages, starting with engine assembly and moving to the manufacture of engine blocks and components.

The Mitsubishi move reflects the growing rivalry among Japanese manufacturers to retain or improve their share of the fastest growing vehicle market in South East Asia.

Nissan has already made an offer to set up a motor and components plant, while Toyota, the biggest seller of passenger vehicles in the country, is believed to be talking with the Government about establishing an engine plant.

The Indonesian Government has declared its intention of reducing the number of vehicle makes in the country from about 30 to a half-dozen over the next five years, and the companies which remain in the market are being asked to increase the local manufacturing content of their vehicles.

The Government would like a full car manufacturing plant in Indonesia by 1984, and the establishment of at least one engine plant is regarded as the key to this plan.

The total Indonesian market last year was 150,000 vehicles of which Mitsubishi's share was thought to be some 30 per cent. But total vehicle sales are expected to rise by about a third this year.

Wong Sulong adds from Kuala Lumpur: Malaysia and Indonesia are to study the possibility of producing a car for the Association of South East Nations (ASEAN) market, embracing themselves, the Philippines, Singapore and Thailand.

The agreement was reached by President Suharto of Indonesia and Dr. Mahathir Mohammed, the acting Malaysian Prime Minister, at a meeting early this week. The ASEAN market of about 500,000 cars a year, could support, it is believed, one or two car manufacturers.

The scheme is for Malaysia and Indonesia to produce certain parts for the car, import the engine, and arrange assembly in the purchasing country. The two countries are undertaking the study themselves because it is easier than having all five ASEAN members involved, Dr. Mahathir said.

Tokyo group in French tool accord

By Our Tokyo Correspondent

OKUMA MACHINERY, a leading Japanese machine tool maker, is about to enter an agreement with Hure SA of France to sell and eventually produce its machine centres in Europe.

Okuma said it expects to sign a formal agreement with Hure, a top maker of milling machines, in March, the initial step will be for Hure to handle sales in Europe of Okuma's small and medium-size machine centres. Within two or three years it is reported that Hure may begin production or machine centres with technological help from Okuma.

Talks are under way on a broad range of co-operation in the area of machine tool technology, in which Japanese companies appear to have taken the lead.

Okuma refused to discuss details of its exports to Europe, a sign perhaps of how worried it is over the consequences of EEC restrictions on imports. At present it handles its own sales there. West Germany is its main market but sales have risen rapidly elsewhere.

In the latest half year accounting period, to September, 1980, overseas sales rose to a 42.5 per cent share of total sales from only 32 per cent a year ago.

UK wool cloth exports hold up well

BY RHYS DAVID

A STRONG performance in Europe, coupled with a pick-up in trade in December, helped Britain's wool textile industry to reach overseas sales of £407.8m in 1980—a less than expected drop of only £1.1m on the 1979 figure.

The industry, which has experienced a 20 per cent reduction in its labour force in the past year with nearly 10,000 jobs disappearing, exported cloth, yarns and tops (combed wool) worth £122.4m to EEC countries, an increase of 12 per cent.

The main gains were in sales to West Germany, Italy and the Netherlands, all of which took substantially increased quantities of woollen and worsted cloth, offsetting a sharp decline in sales to France.

Western Europe as a whole is now the industry's principal market for cloth, taking half of all woollen exports an done-third of worsteds. Sales in the Far East were down significantly last year with Japan reducing its UK woollen imports from 3m sq metres in 1979 to 1.87m and its worsted imports from 3.5m sq metres to 2.4m.

Sales of woollens to the U.S., at just over 4m sq metres, were unchanged while sales of worsteds, which are still finding it very difficult to overcome a U.S. tariff barrier of about 50 per cent, remained at a very low level of less than 250,000 sq metres.

In the Middle East, another traditional market for this industry, woollen sales fell from 3.4m sq metres in 1979 to 2.78m sq metres but worsted sales were up from 3.7m to 4.2m sq metres.

The industry's main problem remains the home market, where trade last year was extremely depressed. As a result, overall consumption of fibre within wool textiles was down 20 per cent at the year's end, compared with 1979, and there were drops too of 13 per cent in deliveries of worsted yarn, and of 14 per cent in woven fabrics.

Against this background, the Confederation of British Wool Textiles, the industry trade body, has issued a warning that some companies will be unable to withstand the added pressure on costs which will result from proposed increases in water charges.

The warning coincides with a series of meetings being held this week between the chairmen of the English water authorities and Ministers at the Department of the Environment at which an investigation by accountants, ordered by the Government into the rises, is being discussed.

The proposed increase for wool companies engaged in scouring—cleaning of greasy wool—will work out at about 30 per cent, Mr. Peter Richardson, Secretary-General of the CBWT, claimed yesterday. This would be on top of a 32 per cent rise last year and would further increase the disparity between water costs in the UK and those paid by scourers on the Continent.

Pilkington in Taiwan glass deal

By Our World Trade Staff

PILKINGTON, the glass group, is to make a major new move into the Far East with the establishment of a $70m joint venture for manufacturing float glass in Taiwan.

The company will be providing 25 per cent of the capital cost of the new 100,000 tonnes plant in central Taiwan with the rest of the finance coming from its partner, Taiwan Float Glass Industry, part of Taiwan Glass Industry Corporation.

Pilkington already licences its float glass process to 31 manufacturers in 21 countries including in the Far East, Japan, South Korea, and Taiwan, and in its last financial year the group received licensing income from these agreements totalling £37m, representing more than one-third of total pre-tax profit of £91m.

With the first of the original licences now expiring and the prospect of a fall-off in royalties as patents on the process run out, the group has been pursuing a policy of forming links with other glass-makers in expanding markets.

Pilkington has recently acquired stakes in the Brazilian glass industry and is planning to build a float glass plant there together with European partners.

Large British surplus in trade with Dutch

BY CHARLES BATCHELOR IN AMSTERDAM

BRITAIN ACHIEVED a large surplus in its visible trade with the Netherlands in 1980 compared with a sizeable deficit the year before. British exports rose strongly during the year while Dutch sales to the UK fell slightly.

However, if oil is excluded from the total figures, Britain continued to run a deficit on its trade with the Netherlands.

Exports from the UK rose 25 per cent during the year to £3.84bn fob while Dutch exports fell by 1 per cent to £3.41bn cif according to Department of Trade figures released by the British Embassy in The Hague.

British trade showed a surplus of £438.5m compared with a deficit of £383.7m the year before.

The largest single item in bilateral trade was petroleum and petroleum products. British exports amounted to £1.27bn compared with imports of £732.4m. In 1979 the position was reversed.

The Netherlands continued to run a large surplus on food, exporting £541.8m worth to the UK and importing £233.3m. However, British exports of dairy products and eggs were worth £133.4m compared with imports of only £62.6m.

In the engineering sector Britain sold machinery worth £550.3m and imported £448.7m. British exports of transport equipment amounted to £221.7m compared with £178.9m worth of imports.

Britain had a surplus in chemicals trading selling £581.5m worth and buying £519.1m worth. UK exporters also sold £68m worth of textile yarns and cloth, £185.7m worth of non-ferrous metals and £92.6m worth of scientific and photographic equipment.

The Netherlands exported £41.3m worth of grains and grain products, £19.8m of oil-feeds and nuts and £152.5m worth of iron and steel.

Germans in Australian coal orders

By Roger Boyes in Bonn

THE WEST GERMAN PHB-Weserhuette group has won orders worth A$30m (£15.3m) for opencast mining and materials handling technology to be used in the exploitation of Australia's vast coal reserves.

PHB-Weserhuette is the latest in a string of German companies — including Ruhrkohle, the country's main coal producer — which have been showing interest in Australian coal.

This reflects a growing feeling that Germany will, in the long term, have to relax its strict import controls on non-EEC coal, if it is to meet the demand for coal-fired power stations, supply various coal gasification projects and adjust to the general policy trend of reducing dependence on imported oil.

The main market, as far as German companies are concerned, is clearly in technology, plant and planning. Thus PHB-Weserhuette, which received initial contracts four years ago to extend the port of Newcastle, has been given follow-up orders for programme-controlled bucket wheel reclaimers, a stacker and a ship loader.

The group, in co-operation with Eglo Engineering of Sydney, has also been awarded a contract for the construction of a complete conveyor system for the Yallourn opencast lignite mine.

The orders are significant not only as a token of German-Australian business co-operation but of the move towards more rational production and marketing among medium-sized plant processing concerns. Thus PHB and Weserhuette bid separately—and to some extent against each other—for the initial Newcastle contracts. However, last year the two companies merged, principally because that was a more logical approach to dealing with export markets, especially those relatively distant from Germany.

John Walker reports from Stockholm: ASEA, the Swedish heavy electrical engineering group, in conjunction with Walkers Pty., have won an order from the Brisbane Railway authorities in Australia for the supply of a commuter rail network for the city.

The cost is expected to be about SKr 400m (£37.4m) for which ASEA accounts for half while the balance will be supplied by Walkers.

The contract calls for the supply of 36 motor-driven trains. Delivery of the order will commence in 1982 and is expected to be completed by 1985.

Polish piano dumping causes stir

By Giles Merritt in Brussels

IN WHAT must rank as one of its more bizarre undertakings, the EEC Commission announced yesterday with straight-faced aplomb that it is now tackling the problem of piano dumping.

It appears that thousands of upright pianos from Poland and East Germany have been crashing through the external tariff wall and tinkling down on to Community markets at prices that are pushing European piano-makers out of business.

In the past three years the pricier piano producers of the EEC have seen their share of their own market drop from almost 45 per cent to just over 20 per cent.

Used to their barely digestible daily diet of pigmeat, paraxylene, butter and budgets, the Brussels Eurocats naturally find it hard to resist the odd humorous aside.

"Should be called 'La Pathéthique,'" said one of the formal documents setting out the details of the anti-dumping investigation that will examine complaints of an 84 per cent dumping margin.

But, for the Community's musical instruments business, the saga of Polish and East German pianos is far from being funny business.

From 17,000 pianos sold to the EEC in 1977, the State trading producers have raised their volume to a rate of almost 24,000 in the first half of last year, taking their market share from less than 20 per cent to approaching 30 per cent.

Ruston in £5m turbine order for Argentina

By Our World Trade Staff

RUSTON GAS TURBINES has won an order worth £5m to supply gas turbines for the Centro-Oeste gas line project in Argentina.

The compan ysaid the contract called for the supply of 15 gas turbines to drive gas transmission compressors. It is also to supply two 1,100 kW generating sets. The compressor sets are to be installed at five stations on the pipeline and will collect gas from new reserves found in the area and transmit them to seven major cities in central Argentina.

Delivery of the gas turbines will be completed by the end of July, and will boost Rushton's turbine deliveries to Argentina to 57. Ruston is a member of the GEC group of the UK.

- Stent Seafco, a Balfour Beatty unit, has won a contract worth £900,000 from the Electric Generating Authority of Thailand to construct large diameter bored piles at a power plant in north Thailand.

Malawi airport project

France will provide equipment for four airfields in Malawi under a FFr 19.1m (£1.6m) loan agreement signed in Blantyre yesterday, Reuter reports from Blantyre. It quoted the official Malawi News Agency as saying the loan will be extended by two French banks—Banque Francaise du Commerce Exterieur and Banque de l'Indochine et de Suez Francaise. The French Treasury signed an agreement for the same amount last December to finance the rest of the project.

UK NEWS

Sinclair 'world first' TV to be made in Scotland

BY JASON CRISP

TIMEX, the U.S. watch company, is to make the world's first mass produced flat screen televisions for Sinclair Research at its factory in Dundee.

The tiny black and white television, about the size of a paperback book, will become available nearly next year for about £50.

Over four years £5m is to be invested in the project. By the end of 1982 Sinclair Research says it should be employing 250 people producing up to 1m television tubes a year.

In Tuesday's Parliamentary debate on the closure of Talbot UK's Linwood factory near Glasgow—with the loss of 4,800 jobs—Mr. George Younger predicted yesterday's announcement, pointing out the project could create up to 1,000 jobs.

However, Sinclair Research, founded by Mr. Clive Sinclair, does not expect the project will employ 1,000 people before 1984, as it is far from clear whether these will all be new jobs. Timex employs 4,000 people in Dundee, with about half making mechanical watches and half making electronic watches.

How many new jobs are created depends on the volume of Timex's business and the rate of change from mechanical to quartz analogue watches.

Mr. Sinclair has been developing the flat screen television tube for a number of years and has received development grants of £500,000 from the National Research and Development Corporation which will receive a royalty. Total development costs including the automated production equipment exceed £1m.

The initial investment in production capacity will be £1.25m The Scottish Economic Planning Department is contributing £1.5m over the four year period. The project will also be eligible to regional development grants of £1.1m—22 per cent of capital costs.

Sinclair Research is largely financing its investment out of profits from its ZX80 microcomputer which was launched just over a year ago priced just under £100. In the first nine months of the current financial year sales reached £3.18m with pre-tax profits of £774,000 says Mr. Sinclair.

During those months Sinclair has sold 50,000 micro-computers and in January sales reached 10,000 of which 70 per cent were exported.

Mr. Sinclair's past business record has been somewhat erratic. His company Sinclair Radionics was baled out by the National Enterprise Board in 1976 after a number of problems.

The company was first on to the market with a hand-held electronic calculator which was rapidly undercut in price by Japanese and U.S. competition. A digital watch also had considerable problems because of faulty components.

Hailed as a brilliant designer Mr. Sinclair's problems lay in general management which is the main reason both the ZX80 and the new flat screen television are sub-contracted to other companies.

Mr. Sinclair and a number of his researchers left the company over a year ago to launch the computer and the small-flat-screen television which has been one of his most cherished projects.

He claims the U.K. market for the sets is 600,000 a year. A U.S. retailer has expressed an interest in buying 333,000 sets.

Mr. Sinclair hopes the small low priced set will have the same dramatic effect on the television market as the transistor radio had on the wireless market.

Foreign airlines must pay £2m withheld Heathrow charges

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

SIXTEEN foreign airlines were yesterday ordered by a High Court judge to pay to the British Airports Authority about £2m of increased airport charges they have been withholding since November.

The BAA was granted an injunction stopping the airlines from using Heathrow without paying the full landing and other charges pending a full hearing of the dispute over the legality of the increases, which were introduced by the authority last April.

Mr. Justice Parker said an injunction would not harm the airlines, but refusal of one might have serious consequences for the BAA.

He gave the airlines 21 days to pay the money they have withheld and ordered them to pay the costs of the hearing.

The judge rejected the airlines' argument that if the BAA eventually won the main court action, it could be adequately compensated by damages.

It might be difficult, if not impossible, to quantify the effect on the BAA of withholding the increase ,he said. The main action was unlikely to be completed before mid-1982, by which time the charges being withheld would be in the region of £14m.

The BAA might not be granted an increase in its borrowing limit. Even if it was, any increase might not be sufficient to allow it to maintain and increase the facilities it was obliged to provide. Other users of Heathrow and the travelling public might be affected.

The judge also rejected the airlines' claim that they had an absolute legal right to land at Heathrow, whether or not they paid charges.

The claim was based on the fact that the airlines held permits granted under Articles 77 of the Air Navigation Order 1976.

But the judge said the article neither contained nor implied any absolute right. The airlines could land on the same terms and conditions as everyone else.

The airlines had also referred to section 14 of the Civil Aviation Act, 1968 which, said the judge, gave the BAA a draconian remedy where charges were outstanding and one of the defaulter's aircraft was at the airport.

The airlines contended that, since the section provided that nothing in it should prejudice the BAA's right to recover charges, all other remedies including an injunction were excluded.

The judge said that could not apply to a situation where the airlines claimed a right to continue to land at Heathrow while withholding part of the charges.

The money being withheld was being put into a trust account, but the injunction would mean it would be paid instead to the BAA.

At the end of his judgment, given in open court after a four-day private hearing, the judge told both sides there must be no repetition of the resort to Press releases or other statements that had occurred since legal proceedings started.

The 16 airlines, who are considering an appeal against the injunction, are: Air Canada, Air France, Air-India, Air Mauritius, Alitalia, BWIA International, Lufthansa, Flying Tiger Line, Gulf Air, Iberia, KLM, Saudia, Scandinavian Airlines System, Swissair, Trans Mediterranean, and Trans World Airlines.

They, with Sabena, which is paying the increases, have sued the BAA and the Secretary of State for Trade, contending that the increases are "excessive and illegal."

Woolworth launches price cuts campaign

By David Churchill, Consumer Affairs Correspondent

THE F. W. Woolworth stores chain, which has more than 1,000 High Street sites in the UK, yesterday launched a price cutting campaign to boost sales.

Woolworth is cutting prices on about 800 popular products — including confectionery, stationery, and toiletries — by up to 50 per cent. Most price cuts will be between 15 and 30 per cent and discounts will be offered on different items at different times.

Woolworth plan to continue the price cutting campaign — called Operation Crackdown — for the rest of the year and are backing it with £2m of Press and television advertising.

"Operation Crackdown is going to make a real difference to the cost of shopping for our 15m weekly customers," said Mr. Geoffrey Rodgers, Woolworth chairman. "It will also reassert Woolworth as a price cutting force to be reckoned with in the High Street."

The Woolworth move reflects its trading problems and the depressed situation facing most retailers.

Over the past decade Woolworth has appeared unable to adjust to changing consumer patterns and to establish a new trading image. It has attempted to move up-market in trading terms by selling more higher priced merchandise as well as items, such as carpets and furniture, not normally associated with the Woolworth image.

However, the result has been to leave Woolworth's traditional customers disenchanted and to create the impression that the company's goods were more expensive. Mr. Rodgers said yesterday that Woolworth wanted to "change people's views and convince them it is possible to sell more expensive items but still be very competitive."

Some City analysts are worried that Woolworth's attempt to increase its volume sales by price cutting would seriously hit profit margins. Woolworth's financial performance has already reflected the problems facing all retailers, and analysts feel profits could be further affected.

In the nine months to October 31, 1980, Woolworth pre-tax profits were only £7.1m compared with £23.2m in the same period the previous year.

Rate increase forecasts 'mean industry faces £5bn annual bill'

BY JAMES McDONALD

THE CONFEDERATION of British Industry is "deeply concerned" over forecasts that local authority rate increases this year will average about 20 per cent. This would increase industry's annual rate bill by £800m to about £5bn, Mr. Bryan Rigby, CBI deputy director general, said in London yesterday.

With some councils threatening increases of up to 70 per cent, Mr. Rigby said: "These can only happen if councils ignore the Government's guidelines and current economic realities."

If all councils followed the spending guidelines, the CBI had calculated that the average increase would be 0.2 per cent, Mr. Rigby said.

He warned councillors not to use the reduction in central government grant as an excuse for putting up the rates.

"The change from rate support grant to block grant means that some authorities will receive less money than they had expected and may have to raise their rates, even if they keep within the Government's guidelines on expenditure, pay and prices," he said.

Others, and Mr. Rigby singled out shire councils, would receive more "and should be able to reduce their rates." For every 1 per cent increase in town hall spending above the level allowed in the block grant settlement, rates would increase by an average of 2.3 per cent.

"We shall be monitoring the rate rises closely once they are finalised and identifying for our members those councils which are flouting the Government's guidelines."

Mr. Rigby said shire councils had benefited from the redistribution of the grant, but in 27 of the 39 English shires, only Wiltshire had not increased its rates. The average rise for the 27 authorities was 9 per cent.

Retails members had told the CBI council yesterday that rates were having a significant effect on retail prices. In some cases, 3 per cent of sales value in local shops was accounted for by rates.

Asked what pressure could be put on authorities to use restraint, Mr. Rigby said businesses could point out that excessive rate increases could result in projects not being brought in, operations being closed down, or redundancies being created.

Sir Terence Beckett, CBI director-general, said the CBI council had discussed the Government's Green Paper on trade unions. The matter was being put before standing committees and would come back in time for the CBI reaction to be sent to the Government in June.

Talks on advanced telephone service

BY GUY DE JONQUIERES

BRITISH Telecom is in talks with Nexos, the State-backed company which markets office equipment and information systems, on plans to set up an advanced telephone answering service using immensely powerful computers.

The project, if it goes ahead, is expected to be a joint venture between the two organisations. The new Telecommunications Bill contains provisions allowing British Telecom to participate in joint venture businesses.

The service would be based on a computer developed in the U.S. by Delphi, a subsidiary of the American Exxon oil group. The machines cost at least £100,000 each.

The computer is designed to allow a small number of operators to take telephone calls on behalf of several thousand subscribers by following a simple step-by-step ...procedure ...displayed on a television screen.

One of the machines is already in service with a telephone answering company in San Francisco, California, where it is reported to have made possible a substantial reduction in the number of operators required.

Nexos, a subsidiary of the National Enterprise Board, has exclusive European marketing and manufacturing rights to the computer. None of the machines has so far been installed in the UK.

News of the talks brought an angry response from Air Call, a private communications company which claims to operate the biggest telephone answering service in Britain.

Mr. John Stanley, chairman, has written to Sir Keith Joseph, Industry Secretary, protesting that the proposed joint venture would place his company at a serious commercial disadvantage.

Pension funds invest in U.S. forestry

BY WILLIAM HALL

UK PENSION FUNDS are starting to invest heavily in fast-growing forests in the south-east of the U.S. In the past six months they have invested $20m (£8.8m) in Georgia alone, and they could soon be investing about $100m a year.

The Economic Forestry Group, Britain's leading private forestry company, is channelling increasing sums of UK pension fund money into U.S. forests, because there is a shortage of large, high-quality forestry investment opportunities in Britain.

The group says pension funds with a large cash flow see forestry as a barrier against inflation and an opportunity for capital appreciation in the long term.

Mr. John Campbell, Economic Forestry's group chief executive, says Georgia, in particular, is an attractive area for investment. Its forest area is five times the size of Britain

Economic Forestry believes that as the world's timber resources are depleted in the next decade, wood prices will escalate.

Children's pay refused tax deduction

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A FARMER'S claim that money he gave his young children for helping on the farm was deductible from his profits for tax purposes was rejected by a High Court judge yesterday.

Mr. Ian Dollar had given each of his four children—aged eight to 14—£2 a week in cash and £250 of National Savings Certificates at the end of the year.

He contended that the payments were made wholly and exclusively for the purposes of the farm business.

Dismissing the farmer's appeal against the tax commissioners' rejection of his claim in respect of the three youngest children, Mr. Justice Vinelott said there was nothing surprising in healthy young children working in the family business and getting generous pocket money and presents.

Mr. Dollar had said he had regarded himself as bound by the Agricultural Wages Act to pay the children, and that they could have sued him if he did not.

"The idea of a child of eight entering into a contract of employment in this way is a strange and unconvincing one," the judge said.

It had been open to the farmer to ask his children to work without paying them wages. They had not, in any sense, been employed and contractually entitled to payment, he said.

The Inland Revenue had argued that the payments had been made "out of natural love and affection" for the children and had been incidental to any jobs they did.

The Revenue also pointed out that it would be illegal under the Children and Young Persons Act to employ the three youngest children.

Tudor coin emerges to fetch £13,000

SALEROOM

BY ANTHONY THORNCROFT

A LONG-LOST Tudor gold coin sold for £13,000 plus the 11.5 per cent buyer's premium and VAT at Sotheby's yesterday to the London dealer Baldwin. It was a variety of the George noble and was known only from an illustration in a 16th-century merchant's handbook.

It was minted between 1526 and 1539 but no example of this type has been known to survive. The George noble, which had a value of 6s 8d, is very rare, the last two coins to appear at auction making £7,500 and £9,800.

This example was brought into Sotheby's in a box of miscellaneous items by its Yorkshire owner who had received it when a boy from his grandmother. It is believed to have surfaced in Essex before World War II.

In the same auction, which totalled £206,203 with just over 2 per cent bought in, an Elizabeth I sovereign of 30 shillings made £6,800 and a 2s 6d banknote, printed in 1941 but never officially issued, fetched £1,300.

In the sale of Old Master paintings Isphahan, the Spanish dealer, paid £7,000 for a Holy Family catalogued Francia.

A village street scene by Joost Cornelisz Droochsloot went for £6,800 and St. George Slaying the Dragon by a follower of Lambert Sustris for £5,800.

Foreign buyers pushed up prices at the Christie's South Kensington picture sale. The top price was £1,400 for a watercolour of a coastal landscape by Thomas Richardson.

A large three-tiered pagoda-shaped red lacquer cabinet on stand was bought by the London dealer Sinai for £5,200 in an oriental ceramics sale at Phillips.

Showpiece hospital needs £6m repairs

MAJOR structural repairs costing more than £6m will have to be done at the University of Wales in Cardiff, one of Britain's showpiece hospitals.

Engineers have discovered defects in many buildings at the 53-acre site of the hospital, opened by the Queen in 1971.

The hospital was Europe's first purpose-built integrated hospital and medical school and cost £22m.

Three years ago mosaic facing slabs on the seven-storey main block were discovered to be loose. Repairs were completed only two weeks ago at a cost of £1m.

The South Glamorgan Health Authority and the Welsh Health Services Technical Organisation are to plan a programme of work on the newly-discovered faults.

It is belived the problem is caused because steel rods reinforcing the concrete on many buildings are too near the surface.

The work will take several years but, in a statement yesterday, the Welsh Office said there would be no danger to patients at the 836-bed hospital.

Work will start in a few weeks on two blocks of flats for nurses and one ward.

Dorchester Hotel to sell 7,000 cases of wine

AN INDICATION of the slump in London's hotel trade, as well of a certain recession in the fine wine business, is Sotheby's sale on March 25 of 7,000 cases of wines from the Dorchester Hotel, writes Edmund Penning Rowsell.

It is the first trade disposal on such a scale since the wine auctions of the mid-seventies and will include 1,400 cases of 1970 clarets, mostly of first, second and third growths, but including five first growths.

These are represented in 500 cases of 1971s, 380 cases of 1975s and more than 1,000 cases of 1976s. Among them are nearly 200 cases of Léoville-Las-Cases. There are smaller quantities of the less fine 1972 and 1973 vintages, and some Sauternes.

The 500 dozen burgundies include some from the Domaine de la Romanée-Conti. There are several hundred cases of vintage port of the 1960, 1966, 1970, 1975 and 1977 vintages.

The clarets should provide the hotel with a good capital gain, and perhaps bargains for buyers.

The interesting question is whether this is the opening of anothear round of mass disposals, as was Christie's auction of Bass-Charrington surplus stocks in July 1974.

The total is expected to reach £350,000.

No Cost life cover offered

AA INSURANCE Services has linked up with Scottish Equitable Life Assurance Society to offer an unusual life cover plan over 10 years.

The contract pays a high sum if individuals die during the period. If they survive they get their money back, or they can cancel the insurance at any time during the period and have the premium returned. The plan is named No Cost life cover.

Under normal single premium protection contracts marketed by life companies, little or nothing of the premium is paid back.

Homes for disabled cut by 32%

A SURVEY of 67 housing authorities showed that last year the number of new homes for severely disabled people had been cut by 32 per cent, according to Mr. Alf Morris, Opposition spokesman for the disabled.

Mr. Morris, making a submission to the Environment Department as part of Labour's housing action week, compared this with a 23 per cent cut in house building generally.

Armed forces total 333,915

THE STRENGTH of the armed forces was 333,915 men and women at the end of last year, more than 13,000 higher than at March 31 and about 15,000 higher than at the end of 1979.

During the last three months of 1980, however, only 9,385 new personnel joined the forces, 17 per cent less than in the same period of 1979. The reason for this, according to the Ministry of Defence, included a reduction in requirements.

Bibby and Erf win

THE 1981 Accountant magazine and Stock Exchange awards for the annual reports of quoted companies were presented yesterday to J. Bibby and Sons and Erf Holdings.

Metal Box to make 700 redundant at 10 factories

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

METAL BOX plans to make redundant 700 employees in a number of factories throughout the country, representing about 10 per cent of the workforce in its general line division.

The factories affected are at Aintree, Carlisle, Mansfield, four in London, Sutton in Ashfield, and two in Hull. The redundancies will take effect by the end of May except at one of the Hull factories, which is to bear 240 job losses to be phased over the rest of the year.

Metal Box said yesterday that the decision was necessary in order to improve the competitive position of the division by reducing overhead costs.

The general line division includes the manufacture of a variety of metal containers for the packaging of products such as cosmetics, pharmaceuticals, household products, food and confectionery and other industries.

Over the past 18 months, Metal Box has slimmed down extensively. The majority of the job losses have been in the open top division, which manufactures cans in large volumes for the food and beverage industries.

Demand for canned beverages in particular has been hit hard by the recession, while consumption of canned foods has also declined. At the same time, Metal Box has been accelerating its move into more capital intensive canning production lines.

● More than 40 lecturers at the North East London Polytechnic, which has a total academic staff of 755, are to be made redundant next month.

Opposition to consultation proposals

OPPOSITION TO European Commission proposals for legislation to increase management communication with the workforce has come from Birmingham Chamber of Commerce.

In a letter to Mr. James Prior, the Employment Secretary, the chamber suggests that "where effective consultation is found to be lacking, the commission should introduce codes of practice rather than impose a rigid legal framework."

The chamber argues that the proposals would "unnecessarily complicate—and possibly undermine — existing communication procedures."

In the majority of cases the kind of information the commission was concerned with was already conveyed to employees.

Unions hope to spur Midlands economy

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

WEST MIDLANDS union leaders will today launch a campaign aimed at halting the "astonishing collapse" of the regional economy.

They claim unemployment in the West Midlands—up by more than 82 per cent during 1980—is rising more rapidly than in any other region. The level of jobless throughout the UK climbed 52.6 per cent last year.

Mr. Len Murray, general secretary of the TUC, and Labour MP, Mr. John Silkin, will today press for an alternative strategy at a conference organised by the West Midlands Regional Council of the TUC.

The initiative by the trade unions mirrors concern within the regional Confederation of British Industry and chambers of commerce at the impact recession is having upon the Midlands manufacturing base.

Unemployment has nearly doubled to 11.3 per cent in less than 12 months, with more than 260,000 jobless. The pace of closures is expected to ease, but opinion remains divided about whether or not the recession has yet bottomed out.

A report prepared by the TUC regional council argues that unemployment in the West Midlands is likely to rise to 17 per cent by 1985—second only to Northern Ireland and Wales with a projected 22 per cent.

The TUC points out that in the early 1960s the West Midlands enjoyed output per head 10 per cent higher than the national average and was second only to the South East in prosperity.

But in each recession the region's share of output has fallen with little recovery in the upturn. The decline has centred upon the manufacturing and construction industries. Profits have been squeezed more severely than in the UK as a whole, and employee's earnings have shown a relative decline.

The West Midlands has suffered from its dependence upon vehicle assembly, the metal industries and engineering. Linked with the rapid rise in unemployment has been a sharp drop in the number of vacancies.

The Regional Council maintains: "At the same time, average earnings in the West Midlands are running at a rate some 3 per cent below the national average. These figures show an astonishing collapse for a region that once enjoyed earnings 10 per cent above the national average, together with minimal unemployment."

The Regional TUC aims to mobilise support to arrest the decline and reverse the trends of the last decade. "Unless this is achieved, the future of generations not just in the West Midlands but throughout the UK will be in jeopardy."

The trades unions say discussions have been held with the Regional CBI and chambers of commerce in an effort to find common ground, in order to develop a joint approach.

However, the Regional Council follows closely the alternative economic strategy outlined by the TUC nationally and by the Labour Party.

The need for import controls is emphasised, both to protect individual industries and to allow expansion of the national economy to take place.

The Regional Council also calls for a higher rate of investment stimulated by the prospect of expanding markets and "by vigorous state intervention," including more public ownership, higher state spending, price controls and an extension of industrial democracy.

Johnson and Firth Brown faces pressure from BSC

Hazel Duffy looks at steelworkers' mill closure vote

THE PROPOSAL by the steel and engineering group Johnson and Firth Brown to close its Atlas rolling mill in Sheffield was put to employees on the eve of the Second Reading in the Commons of the Bill to increase the British Steel Corporation's borrowing powers by £500m.

The instant reaction was to see this as another example of the private-sector steel industry forced to retreat before intense competition by the heavily subsidised BSC, adding fuel to the fire being stoked by certain Tory backbenchers who sense the political damage to a Tory Government of pouring more and more money into the public sector.

There is certainly some connection between the two events, in so far as the Firth Brown product that will be affected by the closure, low-alloy steel billets, is in direct competition with BSC and with other producers in the private sector.

Price discounting by BSC in these and other products, where the corporation is intent on reviving its market share, is rife, and producers have been pushed into accepting low margins or withdrawing.

The Atlas rolling mill is described by Firth Brown's steel division as "very old," clearly posing a problem that substantial investment will be needed if it is retained. In the light of the economic problems for the volume steel industry, such investment could not be justified, it said, and the decision was taken to close.

This decision, allied with closure of another small Sheffield factory and in certain other areas, will lose 1,250 jobs in the next few months.

Total employment in Firth Brown steel is nearly 8,000, but most have worked on short time since last summer.

Firth Brown is primarily a leading producer in the special steels sector. Its major competitor is BSC's Sheffield special steel operations.

The Atlas facilities consist of two melting shops, forging presses, special melting units and machine shops, producing steel grades with a considerably higher value per tonne than general steel companies.

Forgings and special melted products are for those customers, particularly in aerospace, with a brighter future than the general run of engineering and automotive customers whose present situation is so adversely affecting demand for steel.

Most Firth Brown steel interests suffer extensively from those factors dragging down the rest of the industry and particularly lower value types of steel. Mr. Arthur Hogg, managing director Firth Brown, told employees in his letter this week that the recession, strength of the pound, high interest rates, high energy prices relative to Continental competitors, and increased rate payments, together added up to the decision to close.

Other parts of the JFB group, created from a merger in 1973 of Richard Johnson and Nephew with the Thomas Firth and John Brown steel business, have been affected similarly.

Concentration on higher-value steels by closure of the rolling mill may be judged a good move in time.

Competition in steel billets is intense, while poor demand from customers in the automotive and engineering industries is still affected by the recession.

هكذا من الاصل

Early warning plan proposed to detect hazard in chemicals

BY DAVID FISHLOCK, SCIENCE EDITOR

NEW CHEMICALS to be market NEW chemicals to be marketed in quantities greater than one tonne a year must be cleared with the Government, for possible toxic and other harmful effects, under an early warning scheme it proposes.

The scheme is published as a consultative document by the Health and Safety Commission. It is designed to warn of potential hazards to people at work and to anyone else who may come into contact with a new substance.

The scheme requires manufacturers and importers of any novel substance they plan to sell in the UK in the said quantities *to submit a minimum package* of information on the manufacture, uses and properties of the substance, at least 45 days before placing it on the market.

The scheme would be jointly administered by the Health and Safety Executive and the Environment Department.

A joint secretariat would scrutinise the data and test *procedures used, and the interpretation* placed upon them.

The consultative document says the Government would aim *to advise the manufacturer or* importer within one month whether the substance complied with the new regulations.

It is estimated that 20,000-30,000 chemicals are being manufactured in amounts *exceeding one tonne a year.*

The proposals also apply to any intermediates made and isolated in chemical processing, to which people might be exposed.

The consultative document *acknowledges* that industry already incurs substantial expenditure in evaluating the safety of products. But such costs may still fall well short of the cost of the more formalised procedures under the regulations *it is proposing.*

At October, 1980 prices the cost of the toxicological testing alone will be of the order of £45,000, it says. Other costs will include tests for other properties than toxicity, and administrative costs. It cites benefits to industry.

Notification of new substances: Draft regulations and approved codes of practice. Consultative document from the Health and Safety Commission. ISO, £2.50.

Minister confirms target date for £2bn gas project

BY RAY DAFTER, ENERGY EDITOR

THE GOVERNMENT is determined that the £2bn gas gathering project should be completed on target by 1984-85, Mr. *Hamish Gray, Minister of State* for Energy, said yesterday.

In an oblique reference to reported delays and problems over the financing and organisation of the scheme Mr. Gray said: "For every major project, *for every ambitious project,* there will always be those Jonahs who say it is not possible, will not work or cannot be financed."

He was speaking in Great Yarmouth at the *Hydro-Carbons '81 conference and exhibition.*

The organising group—British Gas, Mobil and British Petroleum—believed that the target completion date was achievable. Furthermore, it was clear there would be sufficient gas in the UK sector of the North Sea to justify the pipeline's construction.

Mr. Gray said that there would be enough UK gas in the 1990s to keep both the proposed and existing northern pipelines fully utilised.

Even so, the Government was still keen to see natural gas from the Norwegian sector of the big Statfjord Field fed into the UK system.

The offer submitted by British Gas Corporation for this potential Norwegian supply was by "far and away the most economically advantageous" to Norway. It also offered the most realistic time scale.

Statoil, the Norwegian state oil corporation, favours Statfjord gas being piped through a new Norwegian pipeline network to West Germany.

Mr. Gray said that British Gas's offer should be considered by the Norwegians "impartially and free of political emotions."

Scargill learns the list that will rouse Yorkshire

John Lloyd gives the background to the strike call over pit closures

Hugh Routledge

Miners demonstrate before the NUM-NCB talks with Government officials.

THE CALL yesterday from Mr. Arthur Scargill in advance of last night's developments for Yorkshire's 64,000 miners to strike from Monday breaks some days of silence. Clearly, *he was waiting for his own* area's closure list before rousing his members to action.

That *list* became a matter of enormous dispute as soon as it was known. The plan was for the closure of North Yorkshire's Lofthouse, Manor and Park Hill, and South Yorkshire's Orgreave pits by the summer with 1,940 jobs lost, while South Yorkshire's Cadeby and Elsecar were to lose 500 jobs between them.

But Mr. Scargill, after his brief meeting with the National Coal Board, said that greatly understates the issues. Six more pits—Ledston Luck, Newmarket, Rothwell and Savile in North Yorkshire, Steepley in South Yorkshire, and Newmillerdam in Barnsley—would (he had extracted from the area directors) close in two to three years, with the loss of a further 3,000 jobs.

All four Yorkshire areas wanted to reduce their manpower, he said. The area directors later confirmed that nearly 2,200 jobs would go in the next year, with probably more in the years to come.

Mr. Scargill put the total of job losses sought over the next *few years at not far from* 10,000. This the area directors angrily denied in particular Mr. Eaton pointed to the mighty Selby project, which would soon provide some 600 jobs and ultimately require 4,000.

Other pits were also expanding, most jobs would be lost to *natural wastage, and plans for* redeployment were already in train.

Further, all four directors stressed that neither the four immediate pit closures nor the longer-term ones were surprising or were part of crisis measures. They had been known for some months, if not years—and though the National *Union of Mineworkers had with*drawn from the joint review procedures last November, it was fully aware of the situation. All pits, they said, would close *because they were exhausted.*

Each side had obvious reasons for emphasising respectively the positive and negative sides of the picture. Mr. Scargill has to rally his members and bolster his national presidential ambitions; Mr. Eaton and his colleagues must attempt to safeguard their industry against industrial action.

In the end, though, the facts in the short-term are hard. "It's not our fault there's a recession," said Mr. Eaton.

The Yorkshire area, though in aggregate one of the richest and most productive, is far from homogenous. The North, which *has suffered most closures,* is dominated by pits a century or more old on the west of the county, scraping increasingly thin seams. East of Castleford, however, the great Barnsley seam grows thicker and there the Selby "superpit" project is under way, aimed at producing 10m tonnes a year in the 1990s.

In the Doncaster area and to a lesser extent in South Yorkshire and around Barnsley, the pits tend to be newer and the working often easier. These *areas* have escaped lightly—Doncaster has no pits scheduled for closure now or in the near future, while Barnsley has only one on the way out.

The area's target is to increase its output by 6m to 7m tonnes over the coming decade, a goal which is likely to be achieved in the light of extra production and productivity in the past two years.

But here is a harsh irony for the mineworkers. Because of increased production and a much reduced absentee rate—the presumed effects of the incentive bonus scheme—the need for workers at a time of recession has reduced. The area is over-producing at the rate of 50,000 tonnes a month, and the miners are literally working themselves out of a job. Mr. Scargill will make much of this fact, uncomfortable to the Coal Board, in coming weeks.

There is little doubt, therefore, that the entire Yorkshire coalfield will respond to the inevitable strike call for Monday. Even the area directors talked yesterday as if the action was already upon them. Mr. Scargill seems ready for a long fight—he conceded that power stations had about six weeks' stocks, but after that they would be starved of supplies.

He also seemed certain of support from other quarters. White-collar and supervisory staff officials made it clear yesterday that their members' jobs were also on the line. They would at least not cross picket lines, and perhaps even take parallel action.

Regional leaders of the Iron and Steel Trades Confederation and the National Union of Railwaymen—the triple alliance—have promised to support the mineworkers, said Mr. Scargill. He added: "The danger for the Government is that this action will spread so swiftly that it will involve larger sections of the trade union movement."

Nuclear power planning called into doubt over cost and risks

The major conclusions and recommendations of the first report from the Select Committee on Energy, examining the Government's statement in December 1979 on a new nuclear power programme for Britain

Nuclear programme

THERE IS no irrevocable commitment to an ordering programme of 15GW of nuclear power (and indeed it is not strictly accurate to describe the Secretary of State's announcement as constituting a "programme" at all). The estimated outlay of £15bn over 10 years represents a pre-emption of a large slice of the nation's resources which might otherwise be available for investment in other parts of the economy.

It would have been less misleading and more helpful if the Central Electricity Generating Board had informed us during their first evidence session that the electricity load forecasts contained in their initial memorandum had already been overtaken by events. Further reductions in the CEGB's load forecasts cannot be ruled out.

Much depends on the reliability of the nuclear costs estimates. Investment in conservation may be similarly attractive. In view of the high capital cost, the economic case for new generating capacity (particularly nuclear plant) must be very persuasive indeed to justify the dedication of national resources on so large a scale.

The possibility of converting some of the CEGB's oil-fired plant to dual-firing should be thoroughly examined.

The Secretary of State's intention to relax the constraints on the sale of privately-generated electricity tends to increase the likelihood of lower long-term growth of industrial demand for public-supply electricity; this is not reflected in the official forecasts.

External constraints upon our trading and economic activity are likely to make the Energy's, the CEGB's and the South of Scotland Electricity Board's growth estimates of 2½ per cent per annum until the year 2000 unrealistically high.

All relevant factors point to considerable uncertainty over *future levels of demand.* We do not think it is unreasonable, over the period to 2000, to plan to install a modest programme of nuclear plant. We are sceptical whether the figure should be as high as 15 gigawatts (15,000 megawatts).

The generating boards should give higher priority to improvements in plant reliability with a view to reducing the planning margin to a much lower level.

We were dismayed to find that, seven years after the first major oil price increases, the Department of Energy has no clear idea of whether investing around £1,300m in a single nuclear plant (or a smaller but still important amount in a fossil-fuel station) is as cost-effective as spending a similar sum to promote energy conservation.

Environmental factors

Any remedial measures necessary to reduce pollution *hazards would be bound to* affect the economics of coal-fired plant, just as safety modifications imposed on nuclear stations have pushed up their cost.

We concur broadly with the conclusion of the Royal Commission on Environmental Pollution that it would be unthinkable for any Government to commit this country of a substantial programme of nuclear power until there is a firm prospect that the problems of the transport and long-term disposal of nuclear waste can be managed safely.

The economic case

The main strands of the CEGB's case are: that nuclear power will be cheaper than coal for generating electricity; that considerable uncertainty inevitably surrounds all the assumptions; and that the economic case for new nuclear plant is sensitive to outcomes different from those assumed for capital costs and construction times, future coal and nuclear fuel-cycle costs, and plant availability.

The historic cost method used by the CEGB to justify investments distorts the effect of inflation on capital costs.

The most worrying aspect of the CEGB's comparative cost figures is that it is apparently resigned to a cost penalty of some 34 per cent for building a pressurised water reactor under UK conditions.

Unless the CEGB are able to effect considerable reductions in their own costs, this country will continue to produce electricity more expensively than need be the case, whichever reactor is eventually chosen.

We remain unconvinced that the CEGB and the Government have satisfactorily made out the economic and industrial case for a programme of 15GW.

While a modest investment in nuclear power can probably be justified on demand and replacement grounds, the CEGB should carefully evaluate the economic case for each successive station on its merits and not as part of a predetermined programme.

Isle of Grain

In effect, contractors at the Isle of Grain have enjoyed a blank cheque which the CEGB has been obliged to honour.

The CEGB must be blamed for their reluctance or inability for so long to assert firm management and to promote an increase in productivity.

We cannot stress too strongly the appalling consequences to the electricity consumer and taxpayer of any delays at nuclear sites similar to those at the Isle of Grain, which, in an extreme form, could even render the nuclear programme uneconomic.

Reactor options

We accept that the Government and the CEGB are right to establish an alternative option to the advanced gas-cooled *reactor for future orders.*

It would be inexcusable if a failure to examine in depth now the implications for thermal and fast reactor policy of future uranium supplies were to lead to the need for the UK to "change horses" once more in 10-15 years time. We recommend that a thorough study of these issues should be made by the chief scientist at the Department of Energy (not by interested parties) and published.

We regret that there has been a failure to examine the Candu reactor seriously at a stage in its development when its merits have been fully and fairly assessed.

Enormous past nuclear investments have had exceptionally low productivity; great resources have been used with little direct return and a serious net loss.

We recommend that the Secretary for Energy order an immediate indepth, independent assessment of Candu and its suitability for UK conditions, before a final commitment is made to the PWR.

Safety

It must be the duty of the Nuclear Installations Inspectorate (NII) to ensure that the appropriate safety requirements are met for a PWR.

We have been struck by some of the evidence brought to our attention on the technical difficulties of analysing PWR safety.

The two AGR orders

We consider it most regrettable that the Government were not prepared to divulge the advice tendered by the Central Policy Review Staff.

If this country insists on keeping a domestic nuclear plant industry, that industry will be underloaded for many years. There was undoubtedly a case for not ordering two AGRs. The Government should adopt a realistic programme of a single thermal reactor type.

Nuclear power plant industry

What the various problems with the AGR programme so far have in common is the additional and wholly avoidable financial burden they have imposed directly on the electricity consumer and indirectly on the taxpayer.

We see no reason why the UK Atomic Energy Authority should continue to hold the Government's 35 per cent stake in the National Nuclear Corporation.

We hope that appropriate use can be made of the unrivalled experience of Rolls-Royce and Associates in the transfer of PWR technology to the UK.

We are sceptical whether the domestic power plant industry has an economically and commercially viable future as constituted at present.

We have come to the reluctant conclusion that the Government may have to make a harsh choice between considerations of local employment, coupled with a wish to preserve a pluralistic indigenous manufacturing capability, on the one hand, and its overriding objective of an efficient nuclear programme producing cheap electricity, on the other.

The organisation of safety

It is of crucial importance that the allocation of responsibilities for different aspects of safety is clear and understood and that the organisations concerned are not only strong and decisive in discharging their duties, but seem to be so by the public and Parliament.

The public inquiry

It would be unreasonable in our view, to exclude any mention of costs and of the latest (and revised) electricity demand projections from the public inquiry into the Sizewell PWR.

The Government should take steps to ensure that the CEGB and the NII publish the maximum amount of information relating to the licence application. It would be reasonable to allow a period of four months for parties to the enquiry to examine the NII's report.

JAGUAR MOTORING NOW STARTS AT £13,100.

A new Jaguar XJ 3·4 will cost you just £13,100.

Which means that, for the price of an 'executive' saloon, you will be moving into an entirely different class of motoring.

A world of effortless high performance accompanied by almost uncanny silence.

The response and handling of a thoroughbred sports car in an atmosphere as comfortable, luxurious and unruffled as a gentleman's club.

A world where a superlative level of engineering and equipment is built-in as standard and not added as an extra.

The race-bred twin OHC XK Series engine.

All-independent, anti-dive suspension geometry.

Fail-safe disc brakes on all four wheels–ventilated at the front, inboard at the rear.

Adjustable lumbar support for the front seats.

A fascia veneered in genuine walnut, plus deep-pile carpeting throughout.

A sumptuously appointed interior trimmed entirely in specially treated fire-retardant materials.

Centralised door-locking and electric window lifts.

A list of features so numerous that only a thorough test-drive can do them justice.

The new Jaguar XJ 3·4 at £13,100.

The price may be moderate, but the experience is unique.

THE NEW JAGUAR XJ 3·4

PRICE BASED ON MANUFACTURER'S RECOMMENDED RETAIL PRICE AND CORRECT AT TIME OF GOING TO PRESS. (INCLUDES 5 SPEED MANUAL GEARBOX, FRONT SEAT BELTS, CAR TAX AND VAT. DELIVERY AND NUMBER PLATES EXTRA.)

UK NEWS—LABOUR

Sewerage plants hit as second union joins action

BY PHILIP BASSETT, LABOUR STAFF

UNOFFICIAL INDUSTRIAL action by water-workers in the North East spread yesterday to members of a second union in the industry, NUPE. Meanwhile, another region of the General and Municipal Workers Union, the largest union, voted to reject the national pay offer of 10 per cent.

However, the first acceptance of the offer, by water-worker members of the National Union of Public Employees in the Severn Trent Water Authority, was also recorded yesterday.

For the first time workers in the sewerage side of the industry were involved when the unofficial action in the North East spread to a second union, NUPE. Action by GMWU members in the North East previously had been confined to water supply.

About 90 NUPE members in the Northumberland and Tyne division of the Northumbrian Water Authority, who work in sewerage - maintenance and sewerage-disposal, joined some GMWU members there to ban overtime and to refuse to standy-by or be called out for emergencies other than those for hospitals or old people's homes.

The total taking part in the unofficial action, which has so far been only a threat to supplies and has had no appreciable effect, is put by the water authority at about 340.

GMWU delegates in the union's large southern region rejected the offer yesterday and endorsed any action the union might authorise as a result of that.

The southern vote means that about half the union's 20,000 members in the industry have all voted to reject the offer. The bulk have called for strike action to be notified following the trade union side's meeting next week.

GMWU members in Birmingham, the final large region, and members in the Liverpool area, vote today.

The pattern of NUPE voting, though, has been less consistent. Members in the North East and London regions rejected the offer and have followed it up with unofficial action, while Severn Trent members accepted it.

Mr. Tony Morris, NUPE assistant divisional officer, said: "We were not happy with the offer but we were concerned by the serious consequences of industrial action."

However, members in the Severn Trent Authority enjoy a separate bonus scheme which improves their earnings. It is thought this may have made the offer more attractive in that region and held sway against strike action.

Teachers reject 4% offer

Financial Times Reporter

TEACHERS' NEGOTIATORS last night firmly rejected a 4 per cent pay rise offer, giving an average teacher earning £7,365 a year another £5.88 a week.

They had claimed 15 per cent, which would mean the loss of thousands of jobs according to the employers. The local authorities denied there had been Government pressure to keep down the offer.

The teachers have now become the first major public sector group of workers to be offered 4 per cent, which is well below the Government's own 6 per cent guideline.

Their union negotiators, representing 480,000 teachers in England and Wales, rejected the offer as a "non-starter" after 55 minutes of negotiations in London yesterday.

But Mr. John Horrell, leader of the council's team, said they believed 4 per cent was the maximum it was safe to offer to maintain the present number of teachers.

"Anything over 4 per cent will put teacher jobs in jeopardy in some authorities, and this is not a desirable thing," he said.

The unions want 15 per cent to maintain teachers' living standards and their pay position relative to other appropriate groups of workers.

Mr. Fred Jarvis, leader of the union negotiators and general secretary of the National Union of Teachers, said: "It is an absurd and insulting offer. It is a total non-starter."

Scottish teachers had already been offered 6 per cent he said, and the Government was moving from the 6 per cent offer to civil servants to something like 7½ per cent.

The talks were adjourned until March 2, when the unions say they will want an improved offer.

Public service pay 6% limit confirmed

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT yesterday announced its long-awaited pay provisions for the cash limits covering central government and the health service, and confirmed that settlements for some 1.7m public service workers would be contained within 6 per cent.

Sir Geoffrey Howe, the Chancellor of the Exchequer, said in a written Parliamentary answer that the factors used in calculating the NHS and other central government cash limits would be 11 per cent for prices and 6 per cent for pay.

Both these figures have been expected since similar provisions were announced last November for local authority workers.

The announcement will feature heavily in talks which were confirmed yesterday as being set for Monday between Lord Soames, the Lord President of the Council, and leaders of the nine civil service unions.

The Government plans to increase the present 6 per cent offer, which has been rejected by the unions representing 550,000 white-collar staff, to about 7½ per cent in an attempt to stave off the potentially damaging industrial action threatened in the Civil Service.

To stay within the cash limit, though, the unions and the Civil Service Department will have to concentrate closely on the provision in the Chancellor's November statement which made it clear that the outcome of individual settlements would depend on the way the cash was allocated.

Unlike last year, the Government has ruled out the staging of pay increases for the Civil Service. This discussions may have to centre on staffing reductions over and above the cuts needed to meet the Prime Minister's target for the size of the Civil Service at 630,000 by the next election.

The first real test of the cash limit is likely to come tomorrow, when pay talks covering 250,000 hospital ancillary workers are resumed. They have already rejected a 6 per cent pay offer.

The ancillaries are demanding at least 7½ per cent, in line with the settlement for 1.1m local authority manual workers. The cash limit is also to apply to ambulancemen, who are likely to be seeking increases in line with the firemen under the now withdrawn comparability formula.

Mr. Bill Kendall, secretary-general of the Council of Civil Service Unions, said the announcement was "entirely predictable" and would not alter the plans for industrial action in the Civil Service.

Mr. Ron Keating, assistant general secretary of the National Union of Public Employees, said it was "a prescription for conflict and demoralisation in the NHS."

Firemen's pay formula verdict 'premature'

ACTION TO end the firemen's pay formula has been taken prematurely, Councillor Jack Smart, chairman of the Association of Metropolitan Authorities, said yesterday.

Commenting on the decision of the local authority fire service employers to end the pay agreement, he said: "Their action was premature. This Association has always worked for the honouring of the agreement, which was designed to end confrontations over the pay of these vital public servants.

"It is ridiculous to end an arrangement entered into at great expense so short a time ago. It certainly should not be broken without long and careful consideration."

TUC may plead in European closed shop row

By Our Labour Staff

THE TUC will try to give evidence to the European Court early next month at the hearing of three former British Rail employees whose closed shop dismissal was judged last year by the European Commission to be in breach of the European Convention of Human Rights.

Though it is not normally admissible for a third party in such a case to give evidence to the court, a meeting yesterday of the TUC's Employment Policy and Organisation Committee decided to attempt to do so.

TUC leaders feel that the Government, which is defendant in the case, has put up an inadequate defence of BR's action. The sackings originally resulted from BR's closed shop agreement with the rail unions.

Clearing banks refuse to improve on 8.5%

BY NICK GARNETT, LABOUR STAFF

THE ENGLISH clearing banks yesterday decline in talks with unions to improve their pay offer of 8.5 per cent for 180,000 clerical staff.

Mr. Leif Mills, general secretary of the Banking, Insurance and Finance Union, which has about 70,000 members in the five banks, said the blame for any industrial action would rest on management's shoulders.

Unless the banks were prepared to improve their offer, it was pointless having a further meeting on pay. The union is now assessing the attitude of its members to the proposals.

Mr. Jack Britz, general secretary of the Clearing Bank Union, with 90,000 members in three of the clearers, said his members had been "insulted" by the banks, which had treated their staff "contemptuously."

"In all probability, we are going to get nowhere unless pressures are applied on the banks," he said. But they were still in negotiations, "and I'm not in favour of industrial action at this stage."

The banks expect to hold further discussions on pay at a meeting with the unions early next month, before the April settlement date.

The unions believe the clearers will eventually offer 9 per cent or a little more.

The Federation of London Clearing Bank Employers said yesterday it would not move beyond single figures.

The clearers may wish to test what support for industrial action the unions can muster. The unions are seeking rises in line with the present RPI figure in the face of massive bank profits.

Staff turnover in the banks has fallen in the past year. This is partly a response to the general economic climate, but it might indicate considerable staff satisfaction with recent pay settlements and the real value of benefits such as cheap mortgages and cheap loans on consumer durables.

Earlier this week, the three Scottish clearing banks did not make a pay offer to BIFU during negotiations on the salaries of 17,000 clerical staff.

Present annual salaries, excluding area living allowances, for clerical staff in the English clearers are £2,335 at age 16 to £2,943 at age 21 for grade 1; £2,958 to £4,439 for grade 2; £4,184 to £5,460 grade 3; and £4,952 to £6,104 for grade 4.

Total London allowances are a further £1,361 and large town allowances at £234. Minimum managerial salaries are about £10,000.

Girling closure accepted

WORKERS AT the Lucas Girling brake factory at Bromborough, Merseyside, Wirral, voted by 5 to 3 to accept closure of the car-brakes plant with the loss of 700 jobs. The decision surprised union leaders, who had urged a vote against the proposal.

Another 250 workers will remain employed on the site, at the railway-brakes section.

Management originally planned to close the entire plant by July with the loss of 921 jobs, because of declining sales in the motor industry.

The labour force responded by forming an action committee to salvage something. They took their fight to Cabinet level. They lobbied senior managements of some of their customer companies, as well as MPs including Mr. Barry Porter (Con., Bebington and Ellesmere Port), Mr. Frank Field (Lab., Birkenhead) and Mr. David Hunt (Con., Wirral).

Gradually the struggle, which began in November, lost momentum. Management made a compromise offer on the railway-brake section.

On Tuesday a ballot was held to see if workers wanted to accept management's proposal or take "industrial action to gain more jobs."

A disappointed Mr. Jeff Gore, action committee secretary, said: "This is the end of the road for us. There is nothing we can do now. The action committee will be disbanded. Notices have been pinned on the boards stating the company's conditions."

Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

How to make money from old newsprint

AN ACUTE shortage of straw in 1974 led a small West Country company, J. H. Rowe (Sacks), to develop and launch a shredded-paper animal bedding material to cope with the farmers' demand for a much needed alternative.

The company, which had been in the recycling business for over 60 years (as sack reclaimers), started off anew with a printer's guillotine. It collected newspapers from charitable organisations, schools, scout and girl guide groups, and offered farmers and poultry breeders a product which promised their animals all the comfort enjoyed by tramps who for years have slept on newsprint and appreciated its excellent thermal qualities. The new product was called Shredabed and much cheaper than straw.

The success of Shredabed's sales was endorsed by customers who reported back to the company that their beasts and livestock were happier and healthier with the new bedding. A racehorse breeder discovered that his stock was no longer susceptible to respiratory problems, and one horse in particular, Magyar Melody, who had suffered from a bad attack of "farmer's lung" recovered completely on Shredabed.

But, the material's greatest benefit proved to be in broiler houses. Shredabed was taken from these after use, mixed with the poultry manure, and then marketed as another product, organic soil conditioner and fertiliser.

The new technique for processing the materials was devised by Garry Whitehead and Tommy Gardner, who had to do their own research, design and machinery-making to bring manure and poultry feathers into just the right friable condition for combining it with shredded newsprint in the right proportions.

This new product contains nitrogen, phosphate, potash, calcium, magnesium, sulphate, gypsum, and other natural ingredients as well as nutritional trace elements, and fast degrading cellulose humus-forming materials. It also has keratin, a compound which steadily releases time capsules of nitrogen into the soil with beneficial effect.

Recycling the already recycled has led to constant innovations in the original Shredabed machines which are made at 11 Bridford Road, Exeter.

The first machine, the Shredabeda, was designed merely to shred correctly suitable chosen paper to provide the initial animal bedding product. This had a cutting head from which paper was gravity fed through either an outfeed conveyor which removed and transported shredded material to bulk storage areas, or a compactor which took the shredded material to compress it into easy to handle and distribute bales.

A dicing module was then designed to clip on to the end of this machine and consisted of a frame, a rotating cylinder (incorporating full adjustable cutting edge), heavy duty adjustable bearings and pinch rollers designed to control the length of cut.

The combination of the two machines resulted in a registered product which the company called Diceabed. Different from the long-stranded Shredabed, this product emerged as irregularly cut confetti which proved particularly suitable for the broiler poultry market where it had a higher spreading rate and more thermal efficiency.

The recycling spin-offs from the original machinery developments are under constant review. Shredabed's young managing director, Garry Whitehead, has had some backing from the ICFC subsidiary, Technical Development Capital, but says he has much further to go: "About another £2.5m's worth," he says, optimistically.

Since he and Tommy Gardener opened the company's first Ecological Unit in 1978 and displayed their talents to Prince Philip, they have received world-wide recognition.

"I now want an unlimited supply of machines on the shelf, ready and available to meet enquiries," he says, adding that independently operated units are being licensed throughout the UK and Europe, and will be eventually extended throughout the world.

Shredabed is on 0392 54255.

DEBORAH PICKERING

NEWS IN BRIEF

VEHICLES

A TOWABLE mobile shop has been added to the "Tow-a-Van" range made by Mechanical Services, Belmont Road, Astley Bridge, Bolton, Lancs (0204 58434).

This has a light weight steel chassis incorporating the company's "Indespension" suspension units, with four wheels (all with brakes) which are said to give superior road holding, stability and safety.

Able to be towed by a medium-sized family car, the shop can be fitted with sink units and so on for use in all kinds of trading from fish and chips to souvenirs.

PACKAGING

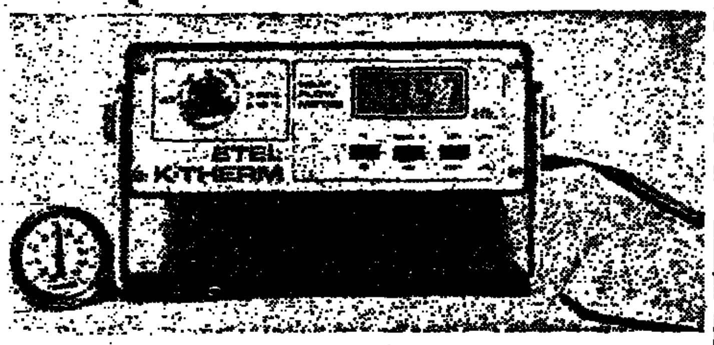
THE HEAVY duty L-Ring drum made by Bowater has been granted a certificate to UN Group II Standards for hazardous products up to 1.5 specific gravity. This up-rating of the drum performance is the first to be achieved by a British drum maker, says Bowater.

LUBRICANTS

A SMOKELESS and economical die lubricant for use in hot metal deformation processes, developed by Guardian Barrier Lubricants, 92-94 Foxberry Road, London SE4 (01-692 8943), is also claimed to be non-toxic, non-corrosive and non-staining. Known as Guardian Metaforge, it can be applied by brush, spray or pump.

Based on the use of water-soluble glass reinforced by blended organic materials, a chelating agent (a compound which combines metallic ions into a ring in the molecular structure), and suitable inhibitors, the lubricant is claimed to generate neither carbon nor fumes. It can be used undiluted or mixed with water, depending on the severity of the job, and is said to be suitable for processing most metals and alloys, including copper, brass, titanium, nickel and stainless steel at working temperatures up to 1,200 deg C.

INSTRUMENTATION



A PORTABLE heat-loss meter based on the Swiss Etel K-therm instrument has been introduced to the UK market by John Baker (Insulation), High Street, Henfield, Sussex (079155 3561) specifically for measuring k-values or the heat or cold losses from buildings and plant. It is claimed that losses can be read to within ±3 per cent.

With an electronic probe measuring the heat flow through walls and insulating materials, the meter rapidly calculates and indicates the k-factor on a LCD. It is claimed to give a positive reading across structures and to detect faults in construction or insulation. Two independent thermometers register temperatures from —30 deg C to +70 deg C.

The meter, housed in a lacquered metallic case with an aluminium handle which can also be used as a stand, is claimed to be more accurate than current optical pyrometers measuring infra-red radiation. The price is £999.

'Design machines' speed products to market

BY GEOFFREY CHARLISH

ALTHOUGH THE rather Orwellian concept of computers designing other computers may still be a figment of the imagination, the fact remains that the sheer complexity of modern electronic circuits is giving rise to "designing machines" that need less and less human intervention.

The design of integrated circuits certainly has reached the point where it cannot be tackled without computer aided design (CAD)—and although these tiny black boxes are immensely complex internally, the interconnection of perhaps 50 of them on a printed circuit board to give a working system of some kind is nowadays almost as difficult.

Cards from Calma allows one man to design a complex printed circuit board in a week or so. The big screen is for design in colour, the small one for data.

Prominent in the design of CAD systems for electronics is Calma, a U.S.-based company whose turnover exceeded £9m in the UK alone last year. The company has put in 50 systems of all kinds in Britain, mostly for integrated circuit and PCB work, and sales are growing at 50 per cent per annum—a reflection of the buoyancy of the electronics industry.

Multilayer boards

The latest machine, called CARDS (it stands for Calma Automatic Routing and Design System) allows a single designer to arrive at all the artwork and documentation for a PCB, right down to such items as drilling machine control tapes, in perhaps a couple of weeks. This is for a multilayer full sized board and the amount of work involved would otherwise take several months.

Thus, a principal raison d'etre for such machines is that they allow manufacturers to get their products on to the market much more quickly and can considerably cut the cost of design where new boards have to be designed at a rate greater than about one a month (for complex boards), or perhaps one a week in simpler cases.

This latest system from Calma is claimed to be 20 per cent faster than earlier models —there is less waiting for things to be drawn on the screen— and the screen is of higher resolution with 512 x 640 points available to draw between, in up to 4,096 colours and shades.

If he wants to, the designer can start with a blank screen and no paper. He starts by calling up logic circuit elements from a store, choosing them by pointing a stylus at an electronic menu card next to the keyboard: the menus can be tailored to suit the designer's requirements. These items can be placed on the screen from the keyboard and moved about at will until a theoretical circuit diagram is complete on the screen. To speed the design process up, small collections of commands can be strung together and these packages moved about to suit.

CARDS will then automatically turn the logic schematic into a layout diagram. It automatically determines the most efficient layout for routeing of interconnections on the board, establishes component pin placings and then determines the optimum routes between the components. Where there are choices of pin connection to an IC for the same outcome, the machine will choose the best-positioned one.

Like all machines of this kind, CARDS will usually not route all the connections without infringing rules laid down for spacing, insulation and so on.

However, Calma claims to have devised a particularly efficient algorithm for this purpose, aimed at making 95 per cent or more of the connections but at the same time ensuring that sufficient room is left to complete the remainder manually on the screen.

The various layers of the board can be planned and interconnected in this way, the use of colour being particularly useful since the designer can "look through" all the layers at once and clearly see how they relate.

According to its program, the machine can next check the whole board for transgression of any of the basic mechanical or electrical rules: since the previous processes have been computer controlled, any error is likely to be in the manual addition of the remaining five per cent or so of the connections.

Finally, CARDS will convert the printed board design back to the original logic schematic form to ensure that there is coincidence.

Photolithography

Post-processing software now comes into action to produce, for example, a magnetic tape which will control a photoplotter (a device which will expose a piece of film the same size as the board for use in photolithography/etching of the PCB). Suitable films are produced for each layer of the board. A similar tape can be generated for a numerically controlled drilling machine— to drill all the holes for eventual component insertion. Or, if a quick prototype is needed, instructions can be provided for a wire wrapping machine.

And, as if leaving nothing to chance, the system will even produce data for use in automatic testing equipment.

CARDS will become available in the second quarter of this year. A basic workstation costs $70,000 but a minimum system, including the computer and software costs about $200,000.

Furnace for all heat treatments

AS A SAFE and economic alternative to cyanide and other salt heat treatments, a sealed quench furnace designed specifically for the small user has been introduced by British Furnaces, Chesterfield (0246 76751). It is self-contained and claimed to be particularly suitable for those who require a versatile furnace for carbontriding, clean hardening, gas carburising and other heat treatment processes.

A separate gas generator is not required and the compact design reduces the floor space occupied to less than 2 square metres. The electric heating system has a maximum rating of 28 kW, reducing to 6.4 kW on standby. The furnace is said to be hot enough to start operation within an hour of being switched on.

The effective charge space is 350 mm diameter by 350 mm high, big enough for a charge of 75 kg. The maximum furnace temperature is 1,050 deg. C.

Callaghan drawn into Gang of Three row

By Elinor Goodman, Lobby Staff

MR. JAMES CALLAGHAN, the former Labour Party leader, was yesterday drawn into the increasingly bitter argument between the Right-wing social democrats and the rest of the Labour Party.

Members of the Gang of Three—all of whom served with Mr. Callaghan in Government—reacted angrily to the decision by Mr. Michael Foot, the present Labour leader, to withdraw their invitations to a special dinner tonight in honour of the former leader.

Mr. Bill Rodgers described Mr. Foot's action as "improper" and a "social gaffe."

Towards the end of Mr. Callaghan's term as Labour leader, the militant Right-wingers were increasingly open in their criticism of him. But Mr. Rodgers insisted yesterday that they had all wanted to "pay tribute" to a man they had "known and respected."

Meanwhile, Dr. David Owen, whose invitation was also withdrawn, said he and his two colleagues would be "marking the occasion in some other way."

Such an occasion could be embarrassing to Mr. Callaghan as it could force him to take an early public stand on the activities of the social democrats.

The idea of all Mr. Callaghan's former colleagues giving him a dinner was first raised by Mr. Foot before Christmas. At that time, the supporters of the Council for Social Democracy were all still committed to fighting within the Labour Party, and their names were automatically included on the invitation list.

But Mr. Foot apparently assumed that they would not dream of coming to the dinner now that they had made it clear that they were on their way out of the Labour Party.

High charges at airports criticised

HIGH CHARGES at British airports were attacked in the Lords last night by Lord Glenkinglass, former Tory Civil Aviation Minister.

His complaint came after a High Court judge ordered 16 foreign airlines to hand over an estimated £2m in landing charge increases withheld since last November.

Tory economic policy a failure, says Varley

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MR. ERIC VARLEY, Labour's employment spokesman, claimed yesterday that the "complete failure" of the Government's economic policy was shown up by a Bill which steeply increases the amount which can be borrowed to meet the growing number of redundancy payments.

He wanted to know the effect that this would have on the public-sector borrowing requirement and argued that the Government had only offered "ludicrous statistics" when questioned on this point.

The House was debating the Bill which raises from £15m to £200m the amount which the Redundancy Fund can borrow from the national loans fund. It also increases from £40m to £300m the ceiling which can be set by the Employment Secretary to the borrowing for redundancy purposes.

Mr. Varley recalled that last December the Government estimated the redundancy fund was being depleted at the rate of £15m a month, a figure which had now risen to £20m a month. He said this enormous increase had been brought about by the "massive haemorrhage" of jobs.

The Opposition spokesman wanted to know how many redundancies the new borrowing limit was expected to meet. These figures must have been available, he said, before the Treasury would agree to increase the borrowing powers.

"We want to know how long the new borrowing limit is expected to last and when the Employment Secretary anticipates coming to the House to raise the limit again," he added.

In addition, Mr. Varley asked what the regional breakdown of redundancies would be and whether the Bill took into account the proposed reductions in capacity in steel and mining.

There were several reasons why this "disastrous situation" had come about, he argued. One of the main causes had been the Government cuts in expenditure. The Cabinet never seemed to make the logical connection between its policy of reducing manpower in the public sector and the unemployment which resulted.

Mr. Varley maintained that we were now living in a "crazy economy" in which people doing worthwhile jobs were thrown out of work by cuts in the rate support grant. They were then compensated from public expenditure which had been saved by those very cuts. That was what the Prime Minister seemed to regard as sound government.

The rather pathetic Bill which the House was considering sought only to apply a poultice to these almost fatal wounds.

Mr. David Waddington, Employment Under-Secretary, argued that the Government was right to bring in the Bill. It had rejected the alternatives of reducing the size of redundancy payments or cutting the level of repayment to employers.

He made no apology for the size of the increase in borrowing powers. The Government was only asking to have a sufficient margin of flexibility in the administration of the redundancy fund.

From the Conservative backbenches, Mr. Hal Miller (Bromsgrove and Redditch) complained of the large size of the redundancy payments made by nationalised industries compared with those which the private sector could afford. Private steel companies were proposing individual payments in the region of £3,000 while British Steel Corporation was thinking in terms of £10,000 per person or even higher.

Government seeks extra £176m to curb unemployment

BY DAVID MARSH

THE DEEPER than expected recession has forced the Government into seking Parliamentary approval for an extra £176m to cover the cost of additional measures to hold down unemployment.

This requirement for extra money—to be paid over to employers who put workers on short time rather than making them redundant—is the main new feature of the spring supplementary estimates presented by the Treasury to the House of Commons yesterday.

The Treasury is seeking a total of £2.02bn in additional funds. This includes an extra £260m for the Ministry of Defence which, as already announced, has substantially exceeded its cash limit this year mainly owing to larger than planned spending on equipment from outside contractors, which have speeded up deliveries in the face of a shortage of orders from other customers.

Otherwise the supplementary estimates contain hardly any extra increase in spending not previously foreshadowed by the Treasury.

Nearly two thirds of the spring supplementary estimate—£1.28bn—is a sheer book-keeping transaction in connection with the transfer of British Leyland shares from the National Enterprise Board to the Secretary of State for Industry. It will cause no net increase in public spending.

The remaining supplementary estimates, seeking authority for extra supply expenditure of £739m, are spread across 55 areas, virtually all counting as additional public spending.

The extra provision for the short time working scheme is however the only increase in spending not already allowed for in the revised forecast for 1980-81 spending made by the Treasury in November.

Apart from the Ministry of Defence case, cash limits have been exceeded in four other areas—prisons, the Social Science Research Council, social work in Scotland and the Public Records Office—which require topping up of a total of just under £4m.

The Ministry of Defence will require an additional £376m for equipment procurement, but the net margin of overspending has been reduced to £260m through savings on other areas subject to cash limits.

The supplementaries take total spending provisions under supply estimates for the 1980-1981 financial year to £69.09bn in cash terms, a rise of about 7 per cent from the figure of £64.61bn published at the time of the Budget in March last year.

Hamilton attacks MEPs' 'champagne jaunts'

BY IVOR OWEN

NOT ONE voice was raised in defence of the European Parliament in the Commons last night when the lavish spending on overseas visits by MEPs was condemned on all sides.

The now notorious mission to Bogota, undertaken by 36 MEPs (six of them British) and a 67-strong entourage of interpreters and other officials at a cost of £¼m, was mercilessly exploited by Mr. William Hamilton (Lab., Central Fife) when he gleefully undertook a comprehensive demolition job.

Pro-EEC MPs sat in anguished silence as he attacked the "champagne jaunts" by the MEPs and successfully sought leave to introduce a Private Member's Bill designed to make the European Parliament more accountable to the House of Commons for its expenditure.

Two Tory backbenchers, Mr. Anthony Marlow (Northampton North) and Mr. Michael Brown (Brigg and Scunthorpe)—both associated with the more vocal critics of the EEC in the ranks of Government supporters—helped him to provide a final flourish.

They forced a division so that any opponents of the Bill could take up Mr. Hamilton's challenge to stand up and be counted.

None did so, and a vote of 138 to nil was recorded in favour of the Bill which, despite the apparent lack of opposition, is unlikely to make any further progress.

Mr. Hugh Dykes (C. Harrow East) one of the most consistent and ardent supporters of the EEC, protested at the tactics used by Mr. Marlow and Mr. Brown who, he said, despite challenging a division and acting as tellers for the "Noes," were obviously in favour of the Bill.

Mr. George Thomas, the Speaker, assured him that what had taken place was in accordance with parliamentary custom. He added, amid laughter: "When people want to force a division, it is amazing where they can find tellers."

Mr. Hamilton, who before the introduction of direct elections, served as a nominated member of the European Assembly, claimed that the opulent spending on the overseas travels of MEPs had caused "widespread outrage."

He did not spare his former parliamentary colleague, Mrs. Barbara Castle, leader of the British Labour group in the European Parliament.

Mr. Hamilton said Mrs. Castle had been due to embark on her own "champagne trip" to West Africa in a party of 60 MEPs accompanied by 100 staff.

At first, he said, she had defended such trips on the grounds that they were beneficial for developing countries.

But a few days later, scoffed Mr. Hamilton, "Lady Castle was for turning"—she then advocated a boycott of the West African trip unless the £38 daily allowance paid to MEPs travelling overseas was reduced.

Mr. Hamilton then directed attention to other missions undertaken by the MEPs, including one party who had "winged their champagne way" to Australia and New Zealand for a fortnight in the sun.

He stressed that out of a total budget for 1981 of £125.5m, the European Parliament had set aside £3.6m for the secretarial expenses of political groups, plus their other political activities and expenses for "contacts with other Parliaments outside Europe."

Mr. Hamilton insisted that there must be some increasing degree of accountability for the expenditure of such large sums of money.

Cautious silence from the few

ALTHOUGH no one cared to defend the fun-loving Euro MPs or to vote against Mr. Willie Hamilton's motion in the Commons yesterday condemning MEP's lavish spending on overseas travel, there were some interesting abstentions from the list of ayes. Margaret van Hattem writes. These included Mr. Ben Ford, Mr. John Page, Mr. Gordon Bagier, Mr. John Osborne, Mr. John Hunt, Mr. Tom Cox, Mr. Albert Roberts, Mr. George Gardiner, Mr. Jeffrey Thomas, Mr. Peter Temple-Morris, Mr. Arthur Bottomley and several others who have, in recent years, travelled abroad under the comfortable auspices of the Inter Parliamentary Union.

The IPU, which describes itself as "a most important international parliamentary forum" and delights in the title, "the Parliament of the World," is one of several international parliamentary groups which arranges international jaunts for MPs. The aim, it says, is to allow backbenchers from the 88 member countries "to express their personal views."

Last year's trip to Oslo, attended by six British MPs, two IPU officials, a foreign office adviser, and three Westminster clerks, appears to have been a great success. After "soundly condemning" the Soviet intervention in Afghanistan, MPs settled down to a "generous social programme," which according to the IPU annual report, "compensated in full measure for the long hours in committee." The entertainment culminated in a four hour cruise on the Oslo fjord "aboard a modern liner well provided with the wherewithal for relaxation."

The 1979 trip to Caracas, attended by seven MPs, the same two IPU officials, the same Foreign Office adviser, and four Westminster clerks, appears to have been even better. It included receptions, a ballet performance, "a sumptuous luncheon against a background of horseracing on what must surely be one of the most splendid racetracks in the world," and many other glittering functions "stretching well into the second week."

The IPU report singles out one reception for its "superlative menu, which included gastronomic masterpieces from each of the many countries represented."

Labour MPs in protest on housing

A DEMONSTRATION of banner waving Labour MPs was split up by police outside Parliament yesterday.

The MPs, who were protesting against Government housing policies, had fallen foul of a local by-law which restricts demonstrations around the Palace of Westminster.

Inspector Derek Bradburn asked the 60 MPs to take their placards down and continue their march "in small groups."

Mr. Gerald Kaufman, Labour's main environment spokesman, said afterwards: "The police were reminding us of a regulation about demonstrations in the vicinity of the House of Commons, so naturally we paid great attention to what they said and thanked them for reminding us."

The Labour MPs, including former Health Secretary Mr. David Ennals and prominent Left-winger Mr. Eric Heffer, marched less than a mile from the Commons to the Department of the Environment where they handed in letters of protest.

All carried placards showing the Government housing cuts and the number of people on housing waiting lists in their own constituencies. At one point they chanted "Maggie out."

Mr. Kaufman, whose banner showed a 36,390 waiting list and cuts of more than half, said the Government had cut the housing programme to its lowest peacetime level since the mid-1920s.

Plea on Gibraltar rejected

SIR IAN GILMOUR, Deputy Foreign Secretary, yesterday rejected Opposition demands to slow down Spain's application to join the EEC unless it reopened links with Gibraltar.

During Commons Question Time, he dismissed the suggestion from Mr. Denzil Davies (Lab., Llanelli) as "not helpful" nor "very sensible" since there was no Spanish Government formally in office at the moment.

But Sir Ian told Mr. John Biggs-Davison (C., Epping Forest) that he would take up the question of Gibraltarians' nationality with Mr. William Whitelaw, Home Secretary.

Mr. Davies had told Sir Ian: "It is time you stopped expressing hope about the Lisbon agreement and started putting some pressure on the Spanish authorities.

"Why doesn't the Government say to Spain that unless and until the Lisbon agreement is fulfilled, progress on the Spanish application to the EEC will be very slow."

Earlier, Sir Ian stressed that the Government's commitment to the people of Gibraltar, set out in the preamble of their constitution "remains firm."

Mr. Biggs-Davison said a recent referendum showed "nearly every single Gibraltarian wants his citizenship to be preserved."

He urged Sir Ian to consult Mr. Whitelaw "to ensure that this small but very loyal group of United Kingdom citizens is not done down by the current nationality legislation."

Ellis—Labour rebel who can't wait to leave the party

BY DAVID PALMER


POLITICAL REALIGNMENT

MR. TOM ELLIS, the 56-year-old Member of Parliament for Wrexham, was born a miner's son in the North Wales village of Rhosllanerchrugog. By the time he was 23 he had a degree in physics and had embarked on a promising career with ICI.

Then in 1947, the Labour Government nationalised the mines. The young Ellis, fired with enthusiasm for the Government and for the industry that had been his family's livelihood for generations, left his career at ICI and went down the mines.

Twenty-three years later, and by then a colliery manager with a second degree in mining engineering, Ellis became MP for Wrexham. His first major act of rebellion was to be one of the 69 Labour MPs who defied his party's three-line whip to vote with the Heath Government on EEC entry. But a deeper sense of disillusion was beginning to set in.

Ellis had asked to be a member of the committee that was examining the Tories' Industrial Relations Act. "I'd been a manager in industry, and I thought I had something to contribute." But he could not put his experience to use. "It turned out to be all yaboo," he says.

Today, Ellis is almost truculent in his attitude to the party political system, and to a Labour Party he can hardly wait to leave. "What I'm on about is smashing the two-party system," he says quietly. Last month, his general management committee formally asked him to leave the Party. Tactics and timing will determine when he will oblige them.


ELLIS—"What I'm on about is smashing the two-party system."

It is one of the oddities of the new Council for Social Democracy that so many of its members come from constituencies at the centre of Britain's industrial crisis. Wrexham's male unemployment rate is now 20.9 per cent, up from 12.7 per cent a year ago.

It used to be a predominantly mining area, but eight pits were closed and about 9,000 jobs lost in the 60s and early 70s, leaving just two pits and fewer than 2,000 mining jobs today.

As the mines closed down, Wrexham managed to attract new industries into the area, so that although employment has been a problem throughout the past 20 years, it has been kept under control.

But in the last 12 months, the Firestone factory, which had been open only 10 years, has closed (600 jobs lost); steel-making has come to an end at British Steel's Shotton steel-works on nearby Deeside (1,000 jobs lost in the Wrexham area out of a total 7,000); and 600 have been laid off at GKN's Brymbo steelworks.

That is a big dent on a male population of fewer than 30,000.

It is now 18 months since any significant new jobs moved into the area. Only the dream of attracting the proposed Datsun plant offers the slightest relief from this gloom.

Against this background, it is perhaps surprising that the local Labour Party is not more Left-wing than it is.

Like almost all local Labour parties, it has a vocal Left-wing, led by a member of the Polytechnocracy called Joe Wilson, a PE instructor at Wrexham Technical College whose conversation is full of references to the values of true socialism and the need for party discipline. But although there have been rumblings against Tom Ellis for some time, (the Left led by Wilson made moves to get rid of him for both elections in 1974), he has managed to ride out all the storms and to retain a hardcore of solid support at party level.

In November, he even managed to win a vote of confidence from his general management committee after telling them that in all probability, he and the Labour Party would soon be parting company. Thus the January vote asking him to leave looks suspiciously like a case of opening the door to give a shove as the horse is bolting.

So now what happens? In the next few days, Ellis can be expected formally to leave the party, and to take some of the Right-wing stalwarts on the general management committee with him. I am assured that these will include more than one local councillor. The local party will pass some suitably virulent motions calling on Ellis to resign his seat and he will ignore them. The party will then close ranks behind a new candidate who will promise to observe party discipline, to do what his local party tells him, and not to think too many radical thoughts for himself.

Whether Tom Ellis remains MP for Wrexham at the next election is quite another matter.

To begin with there is the question of what the reaction is going to be to structural, long-term unemployment, particularly among young people leaving school. At present, the atmosphere is one of depression, fear, apprehension, uncertainty. The scale of the economic downturn has been so sudden and so violent, the size of some of the redundancy payments has been sufficiently large, that no recognisable social or political reaction to unemployment has yet taken place.

Tom Ellis drew criticism for advising the Shotton workers as far back as 1974 to accept the inevitable and take their redundancy payments.

He faces uncomfortable comparisons with Barry Jones, MP for neighbouring East Flint, who is a vocal opponent of closures in the area.

It is not all clear how Tom Ellis in Wrexham or the Council for Social Democracy nationally is going to respond in policy terms to structural unemployment—or how the unemployed will respond to the new party.

Almost as important in electoral terms is the reaction of those of the industrial workforce who keep their jobs. There is evidence from both industrial management and some of the trade union leadership in the area that attitudes on the shop-floor are changing: "Profit is no longer a dirty word"; "on the shop floor, the chaps want to get on with it"; "age-old demarcation lines are breaking down".

This mood of change, of old attitudes and barriers breaking down, is widespread, but, again, it is not clear where it is leading and what it means for traditional party loyalties.

Finally, there is the question of the Liberals. Martin Thomas, a wel-to-do local barrister, came a respectable third to the Tories last time, and is president of the local Liberal Party. He seems ready to stand down for Tom Ellis, provided that things get sorted out between the Social Democrats and the Liberals at national level, and provided that the price the CSD asks for an alliance is not too high.

He thinks the CSD should contest only 50-75 seats, and argues that local Liberal parties will not play ball if they are asked to stand aside for the Social Democrats. There are plenty of lifelong Liberals in the Wrexham party (present membership less than 100), just as there are in the rest of the country who want no part of a CSD lliance at any price. A CSD-Liberal pact is not a certainty, even in Wrexham.

Ellis himself is thoroughly realistic about his chances. There is a 12,000 Labour majority. He needs to take 6,000 of the 30,000 Labour votes with him if he is to overturn it.

"If everything went right, I could just about do it," he said.

WREXHAM
1979 election result

Ellis, R. T. (Lab.)	30,405
Graham-Palmer, R. (C.)	18,256
Thomas, M. (Lib.)	11,339
Roberts, H. W. (Pl. Cymru.)	1,740
Labour majority	12,149

THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

UNDERCURRENTS

Has the impact of importers been exaggerated . . .

BY MICHAEL THOMPSON-NOEL

WHAT IS really going on in British advertising? Is the relatively healthy level of UK advertising exenditure a reflection of muscular marketing activity by importers, as suggested on this page last week? Or is the buoyancy of UK advertising expenditure being underpinned by home-based manufacturers who learnt their lesson in the *last* recession—namely, that to cut advertising budgets willy-nilly in the face of adversity is to court disaster when things perk up?

Last week's article suggested that advertising expenditure by importers was now accounting for 30 per cent—perhaps as much as 40 per cent—of total manufacturers' consumer advertising in Britain, currently worth slightly in excess of £1bn.

The inference was clear: that the current health and wealth of UK advertising owed more to importers, and their level of spending, than to home-based manufacturers determined to shoulder their way clear of the current recession.

Stephen King, research director at J. Walter Thompson, has lodged a typically civilised objection to last week's thesis, agreeing that while the importance of importer advertising has undoubtedly grown, there seems to him no way in which importer activity can totally explain the way in which manufacturers' consumer advertising (MCA) has held aloft from the steeply downward trend in UK company profits.

"Consider these facts," says Mr. King:

"Of the industries given (in last week's chart) about import penetration, only seven are really in consumer goods. Of these seven, three (food, drink, tobacco, publishing and furniture) show a slight *decline* in import penetration since 1974. Three (textiles, leather, clothing) have rather low advertising expenditures anyhow. We're really left with cars and durables only to support the thesis.

"If you look at the MEAL figures for 1980, you will see that the biggest gain in share of total advertising expenditure versus 1979 came for food. (In 1979 it made up 13.3 per cent of the total, in 1980 15.8 per cent). Some of that could be accounted for by the TV strike, but at the very least one could say that food advertising expenditure stabilised after a decade of decline. And I don't think food advertising has been much affected by importers. Or household stores (which went *from 4.0 per cent to 5.1 per cent*). In 1974, these two categories *dropped* 2 percentage points on 1973: that is, a markedly different pattern.

"The other big gain was by *motors, which went from 7.1* per cent of the total to 8.0 per cent. This was very largely due to an *increase in spending* by the *British* car companies. The big four (BL, Ford, Talbot, Vauxhall) accounted for 34 per cent of car advertising in 1979 and 46 per cent in 1980.

"*The £'s value is roughly the* same as it was in 1974, as is the Franc's. The Deutschmark and Yen are *substantially higher*. The dollar is a bit lower. I'd accept that imported goods are likely to have bigger margins for advertising than British-made goods: but that's because their wage-costs have grown less rapidly, and their productivity more rapidly than ours."

Mr. King stresses that he does not underestimate the importance of the growth of imports, nor the growth of importer advertising.

But: "There is very little doubt that the majority of JWT clients are keeping up their marketing budgets (including advertising) in a way that they didn't in 1974—partly, I think, because we weren't then in the habit of looking at expenditures in constant prices. I find it hard to believe that our clients are so very different from other marketing companies, or indeed that some form of patriotism has overcome me."

Have home-based manufacturers truly learnt their lesson *viz a viz* advertising? Further study will tell.

. . . Or is the best yet to come?

BY HAROLD LIND

SO IMPORTERS are now accounting for an estimated 30 to 40 per cent of total manufacturers' consumer advertising in Britain, a category worth in excess of an estimated £1bn (this page last week—Imports: a bonanza for advertising)?

To date, this particular gift horse—the apparently beneficial impact of importer spending on UK *advertising—has* had its mouth examined all the way down to its tonsils, the general conclusion apparently being that it is less a gift horse than a dark horse.

At first sight, this seems surprising, for there can be no question that imported goods, like any other, bring income not merely to the British advertising business, but also to British import agents, the distributive trades, and those who perform after-sales services. So where lies the catch?

The conventional answer has always been relatively simple: The apparent income provided by imports is fools' gold, or so it goes. If we buy more from foreign countries without selling more to them, the balance of payments deteriorates, thus requiring corrective action.

Either sterling depreciates, *impoverishing consumers* by means of inflation, or the Government tries to prevent imports by credit squeezes and tax increases, thus impoverishing consumers by means of depression. In either case, the country as a whole loses, and even industries such as advertising, which might appear to gain from imports, actually lose in any but the shortest term.

This is a powerful argument, and for most of the past 30 years has been essentially true. Businessmen, even those who gain from imports, have therefore drawn the moral that a growth in imports is a storm warning, to be followed by the onset of dirty weather.

All of which explains the note of caution in last week's article, but it does not quite justify it. The reason for casting doubt on the conventional wisdom of the past 30 years can quickly be seen if we look at why imports damage the economy.

They are not necessarily harmful in themselves, but become so if they are not balanced by corresponding exports.

In the last depression, oil importers such as Britain were desperate to sell their goods to the OPEC countries, who were the only ones with healthy surpluses on their balance of payments. In this depression, we are, *to all intents and purposes*, an OPEC country, and before we listen to those stressing the need to cut back on our imports, we should remember that these are the same people who, seven years ago, were lecturing oil producers about the need to recycle international money by buying more foreign goods.

To look at the implications for marketing in general and advertising in particular, contrary to widely held belief, 1980 was not particularly a boom year for importers.

This is one of the reasons why our balance of payments surplus was so high. The major reason for the sluggishness of imports was the fact that the depression in Britain was deeper in 1980 than in most other development countries.

If my analysis is right, the importation of manufactured goods into Britain can be expected to grow rapidly over the next two or three years.

This will be due both to Britain's role as an oil producer with a strong balance of payments, *and also to the likelihood* that having gone into the depression fastest, it will also *come out of it when many of* its competitors are still in the depths of their's.

With *few* balance *of payments* constraints and little chance of major protectionism breaking out under this Government, one can see Britain looking immensely attractive to importers, even by the end of *this* year, and with the attraction increasing through 1982 and 1983.

Events are likely to prove favourable for advertising, whatever happens, but there are two major areas where a programme of education and persuasion would speed up and intensify the importer trend.

One message is for importers, who, contrary to popular belief, are not all totally aware of every facet of British marketing. Britain will look increasingly attractive to them, but it is up to the advertising community to ensure that importers are helped to channel their marketing efforts effectively.

On the other side, the sooner *British industry comes to* realise that 1982 and 1983 are likely to be years of high and growing consumer expenditure, the better it will be.

But the good news should be mixed with the bad, that importer activity is likely to be growing rapidly, and that unless British industry is prepared to fight for its home markets, it will stand every chance of losing them—and deserve to do so. Opinion leaders within advertising should be starting now to *spread these messages, for in* campaign planning terms, 1982 is not very far away.

BRITAIN'S TOP ADVERTISERS

Aggressive retailers dominate advertising's Top Ten

BY DON BECKETT

THE POWER and aggression of Britain's top retailers is a many splendoured thing, and nowhere more apparent than in the annual league table of Britain's top advertisers compiled by Media Expenditure Analysis.

Six years ago, when first *reviewing the year's most* heavily-advertised brands, I found that a combined Press and TV expenditure of £3.56m had been sufficient for the Central Office of Information's Energy Crisis campaign to head the 1975 list.

That year, the next nine spots were occupied by retailers. The following year, expenditure of £4.26m was enough to boost Boots into top place, and again *nine of the Top Ten most* heavily advertised brands were retailers.

The general picture was much the same in 1977, though the cost to Boots of maintaining top spot was £5.83m.

The following year, retailers evicted the single non-retail interloper and occupied all top ten places, with Boots holding on to the No. 1 position with £6.7m. In 1979, there were two surprises: Boots was still first in the table, but with a recorded expenditure actually slightly lower than in the previous year, while just one non-retailer had crept back into what is advertising's first division.

MOST HEAVILY ADVERTISED BRANDS, 1980

(Press and TV)

GENERAL LIST		£m	Press (%)	TV (%)	EXCLUDING RETAILERS		£m	Press (%)	TV (%)
1	Co-Op	8.84	73	27	1	Dulux	4.81	16	84
2	Boots	7.65	69	31	2	Ford Range	4.50	54	46
3	*Woolworth*	7.39	45	55	3	*Midland Bank*	4.47	28	72
4	MFI	6.81	85	15	4	Guinness	4.46	13	87
5	Asda	5.63	54	46	5	Vanguard	4.25	100	—
6	Tesco	5.61	87	13	6	Lambert and Butler	4.23	100	—
7	Currys	4.92	88	12	7	Players KS	3.89	100	—
8	Dulux	4.81	16	84	8	British Airways	3.77	33	67
9	Ford Range	4.50	54	46	9	Embassy	3.52	100	—
10	Midland Bank	4.47	28	72	10	Halifax BS	3.48	55	45

Source: MEAL.

Now, with the help of MEAL's latest annual expenditure report, we can examine the big brands' *spending performance* in the year just ended. Retailers still occupy most of the top *spots, with 10 out of the first 20* places, but this is a reduction from the 14 places they held in 1979.

Similarly, as the table shows, the retail advertisers no longer *have such a stranglehold on the* Top Ten, with only seven places compared with nine in 1979.

Even though advertisers are unlikely to be as neurotic as agencies regarding their positioning in the expenditure *rankings, we must record the* fact that Boots is no longer No. 1, and Woolworth is no *longer No. 2.*

Comet Warehouses, BR Inter-City, and the Debenham Group *have lost the places they* occupied in 1979, and have been replaced by newcomers Asda, *Dulux, the Ford Range cam*paign and Midland Bank.

If you are wondering how three brands have been replaced by four, I must explain that MEAL, in its latest report, has changed its definition of *what is a brand*. For example, whereas in 1979 Co-op National and Co-op Local were shown as separate "brands," they are now shown together. The aggregated Co-op expenditure for 1980 was enough to put them at the head of affairs by a margin of well over £1m.

Before taking a closer look at individual brands, and how they allocate expenditure between the two major media, one should explain the basis on which MEAL figures are compiled. They are based on card rates (not actual expenditure) and relate to Press and TV only, not to other media such as radio, outdoor or cinema. These are minor reservations and in no way invalidate useful comparisons between brands and years.

While the first section of the table shows the Top Ten advertisers in MEAL terms, the second section is produced for the benefit of those who prefer retailers to be excluded from the reckoning. MEAL's small change of definition has also affected rankings in the non-retailer sector, because for the first time expenditure on brands such as Guinness bottled and Guinness draught, and for the different varieties of Dulux paints, are shown in aggregate form.

Comparing 1980's non-retail list with the previous year, there are seven newcomers. Only Wills Embassy, British Airways and Halifax Building Society have held their places, but seven new brands lead the table.

Dulux, the Ford Range, Midland Bank and Guinness head a trio of Imperial cigarette brands. Gone from 1979's Top Ten are BR Inter-City, two Benson and Hedges brands, two Milk campaigns, Philips TV sets and National Westminster Bank.

Looking at the Press/TV ratios in the two Top Ten lists, we can divide the brands into three fairly discrete groups. Firstly, the cigarette brands which may not be advertised on TV and so allocate all their MEAL expenditure to the Press. Secondly, the retailers, who with the single exception of Woolworth use both media but concentrate most of their spending in the Press. Lastly, the remaining brands which allocate between 45 per cent and 87 per cent of their spending to TV.

Where would an expenditure of £1m in 1980 have placed you among MEAL's top spenders? Not even in the Top 250. Last year saw a veritable explosion of millionaire brands, from 110 to 257, but the millionaires' club is no longer an exclusive coterie, and even the £2m club had 73 members.

It is highly unlikely that in the current year any brand will dislodge the Co-op, Boots or Woolworth from the top spots they achieved last year. Indeed, even to scrape into the Top 30, advertisers will have to adopt the Abbey Habit and spend in excess of £3m.

International Appointments

QATAR GENERAL PETROLEUM CORPORATION (QGPC)

established by the State of Qatar with responsibilities for all phases of the Petroleum Industry requires a

SHIPPING EXPERT

for its Marketing and Transportation Department.

Applicants should have a wide knowledge and varied experience in Petroleum, Gas and Petrochemical Transportation covering all aspects of shipping to include operation, chartering, international shipping law, construction, safety, freight, insurance, etc. Successful candidates should be capable to carry out independent studies and advise on latest developments. Experience in the Gulf will be of added advantage. Good knowledge of English is essential.

The post carries attractive local tax free salary and all other terms of employment are subject to negotiation. Qualified applicants should summit in confidence a resume indicating present salary and expected salary to:

Manager, Personnel & Training,
Qatar General Petroleum Corp.
P.O. Box: 3212
Doha—Qatar

Financial Consultants

Riyadh, Saudi Arabia

A Saudi Arabian Government agency specialising in financial industrial projects within the country seeks a highly motivated, mature individual to provide assistance to clients in improving management information systems.

Principal responsibilities will be consulting with owners in the design and implementation of integrated management information, accounting and control systems for manufacturing operations, investigating financial performance of projects and training and developing staff.

Candidates should ideally be single, possess a CA or CPA degree from the UK, Canada or the USA, have two to five years' post-qualification experience in auditing and financial consulting primarily in manufacturing businesses and possess superior communications skills. Fluency in spoken and written English is essential and a knowledge of Arabic would be an advantage.

• 2 year contract – renewal based on performance • very attractive base salary • performance and end of contract bonuses • free furnished accommodation • generous leave arrangements • education assistance • leased car • excellent recreation facilities.

Please telephone (01-629 1844 at any time) or write – in confidence – in the first instance for a personal history form. B. G. Woodrow ref. B.1821.

MSL middle east
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

LEADING GERMAN BANK

REQUIRES A

SENIOR FOREIGN EXCHANGE DEALER

Candidates should have had at least six years' experience and be in the age bracket of 24-28 years.

The successful applicant would have had extensive exposure in all facets of foreign exchange and deposit dealing and be able to work on his/her own initiative.

We can offer a very competitive salary and benefit package.

Please write in confidence to the Manager—Administration.

Box A.7436, Financial Times
10 Cannon Street, EC4P 4BY

Bank Lending Officer

Middle East

An expanding and profitable Middle Eastern financial institution wishes to identify an experienced lending officer to join its team of professionals.

The successful candidate will develop and implement an aggressive marketing programme and will analyse, recommend, negotiate and administer *an assigned loan portfolio.*

Qualifications should include a university degree followed by credit training and at least three years *international* lending experience. Familiarity with Middle Eastern banking would be desirable and candidates should be able to work easily with a wide range of *nationals* and *adapt* to living and working in the area. Fluent English is essential and Arabic would be a distinct asset.

An attractive base salary is offered plus a bonus and a generous range of fringe benefits.

Replies to be sent in strictest confidence to:

Box FT/658
St. James's Advertising & Publishing Co. Ltd.,
Hanway House, Clark's Place, London EC2N 4BJ

TOUCHE, REMNANT & CO. INTERNATIONAL INVESTMENT MANAGER

LONDON **UP TO £20,000 NEGOTIABLE**

Touche, Remnant & Co. provides investment management and *secretarial services to a group of investment trust companies* and pension funds. Total funds under management exceed £1bn. We are seeking an International Investment Manager to play a vital role in the management of **the international assets of U.S. pension funds.**

The responsibilities will include:

- the development of the U.S. pension fund product
- the management of both a model portfolio to be used for performance measurement and clients' funds
- client identification and servicing.

Candidates will probably be in the age range 30-40 with sound experience in international investment. The individual will be based in London but will make at least four 2-3 week trips to the U.S. in the *first year and spend considerable periods in the U.S. subsequently.* Salary is by negotiation up to £20,000 and there are other attractive fringe benefits including a car.

Please send a comprehensive career résumé, including salary history, quoting ref. 1089/FT, to W. L. Tait.

Touche Ross & Co., Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.

Chief Foreign Exchange Dealer for our subsidiary in Hong Kong

A comparison of the balance sheets of the large German commercial banks shows that the BfG has enjoyed above-average growth in practically all areas of banking since it was founded over 20 years ago.

We are today one of the large multi-purpose banks in Germany, with total assets of over DM 43 bn., with the consolidated balance sheet total of the BfG-Group amounting to approximately DM 61 bn.

As a bank handling a large volume of international business, we are interested in strengthening our foreign exchange operations at the most important financial centres of the world and Hong Kong plays a key role in our worldwide network of branches.

The position at our subsidiary in Hong Kong will be filled by a qualified foreign exchange dealer with at least five years experience. He will be a creative dealer within the authorized limits in both inter-bank and customer transactions. In addition, this responsible position requires staying-power, resoluteness and perfect English.

Salary will be commensurate with the responsibility and the position offers further career prospects to the successful applicant.

Please apply in writing stating all relevant details of career to date as well as any special skills.

Bank für Gemeinwirtschaft AG
Hauptverwaltung, Theaterplatz 2
D 6000 Frankfurt/Main 1, Germany

BfG:Bank für Gemeinwirtschaft.

FRENCH-SPEAKING STOCKBROKER

We are seeking a Senior Private Client Account Manager to develop the English-speaking international clientele of a substantial merchant bank in Monte Carlo.

Candidates will have had a sound training with a respected U.K. merchant bank or stockbroker, and experience of handling clients and their portfolios on a discretionary and advisory basis. Candidates are likely to be in the age range 32-45. Initial salary will be FFrs. 250,000, free of personal tax.

Write or telephone in confidence to Somerset Gibbs.

Directorship Appointments Limited
66 Great Cumberland Place, London W1H 8BP. 01-402 3233.

Improve your lifestyle! Canada base

Join this highly successful international consumer marketing company in

International Audit

Toronto based, you will be part of a small skilled team. Rapid progression into line finance is expected. Qualified, with at least 2 years experience and aged 25-35, you will have the presence and desire to succeed in this highly stimulating environment. Excellent rewards – please phone or write **immediately** quoting project L121.

24, Buckingham Gate, London SW1. Tel: 01-834 7966. Offices in: Toronto, Montreal, Calgary, Vancouver and Houston.

The Caldwell Partners
Executive Recruiting

top management positions international bank

NIGERIA

Requirements

- age: in the forties.
- English language fluent, French highly desirable.
- 15 years in corporate banking.
- Has managed sizeable wholesale banking operations in African or Middle-East countries.
- Compensation: base open/usual fringes.

Applications to be sent to I.C.A. under ref. 3337-FT and will be treated by consultants with strictest confidentiality.

I.C.A. International Classified Advertising
3, RUE D'HAUTEVILLE - 75010 PARIS - FRANCE

APPOINTMENTS ADVERTISING

RATE £22.50
PER SINGLE COLUMN CENTIMETRE

Reading & Bates is one of the world's leading offshore drilling contractors. With more than 25 years' international experience, we currently operate a fleet of some 30 units throughout the World, backed up by a network of offices in strategic centres.

We have immediate opportunities for:

Area Administrators

who play a key role in the site management *team of each major drilling operation.*

Responsible primarily for the overall administration and accounts, your duties will range through general office management to staff *control, cash/wage administration,* cost control and general accounting procedures.

These challenging appointments, in a number of overseas locations, will appeal to young accountants or business administrators with *the ability to maintain a flexible* but professional approach to their work.

Experience with an oilwell *drilling* contractor, oil company or other oilfield related service *company is essential.* Relevant qualifications to degree level preferred, although part-qualified accountants might be suitable.

We offer attractive salaries, which are foreign tax paid, plus one of the finest benefits packages in the industry.

Please send full resumé to:

The Personnel Manager,
Reading & Bates (Offshore) Ltd.,
Seymour Mews House, Seymour Mews,
London W1H 0AA.

RB READING & BATES DRILLING CO.
Drilling round the clock around the world.

[هكذا من الأصل]

International Appointments

Dr. Helmut Neumann
Management-Beratung

REGIONAL MANAGER NEAR EAST
IMPORTANT GERMAN BANK

We are one of the leading commercial banks, with branches in all the German financial centres. We operate worldwide through our own branches, subsidiaries and representative offices in all major banking centres, and carry out a full range of banking activities, additionally offering a variety of bank-related services.

In order to successfully cover our business activities in the Near East, we wish to appoint an experienced banker who is capable of keeping up our existing contacts and further expanding our activities and relations in those areas. In addition to institutional and private customers he will mainly be dealing with banks. Managerial ability, fundamental knowledge of the local market and good understanding of the local mentality are of great importance. The person to be appointed should be fluent in English and preferably also in French, and should ideally have some knowledge of Arabic. Since he will be operating from Germany a basic knowledge of German is absolutely necessary. He should furthermore be willing to travel extensively. Salary and conditions of employment will be attractive and depend entirely on the age, qualifications and experience of the successful applicant.

Should you be interested in obtaining more details of this challenging position please contact our management consultants:

Dr. Helmut Neumann Management-Beratung GmbH,
Neue Mainzer Strasse 84, D-6000 Frankfurt 1
Telephone 0611 (code)—29.00.01,

or send your full application together with cv, which will be treated in strict confidence, quoting the reference No. 3026/FT.

NIGERIA
NATIONAL SUPPLY COMPANY LIMITED

Finance Manager

Applications are invited from suitably qualified candidates for the position of Finance Manager at the Lagos Headquarters of the Nigeria National Supply Company Limited.

The appointee will be directly responsible to the General Manager for the efficient administration of the Finance Department of the Company. *The position offers considerable scope and challenge to a man of proven integrity and professional skill.*

Minimum Qualifications:

Applicants should be professionally qualified Accountants (ACA, ACMA, ACCA and other relevant qualifications) with not less than 10 years post-qualification experience with a reputable commercial organisation. Experience of management accounting and multi-product costing systems will be an added advantage.

Remuneration:

This is negotiable and will depend on the calibre and worth of the successful candidate. Candidates presently earning less than N10,000.00 p.a. need not apply.

Fringe Benefits:

Partly furnished accommodation will be provided or, in the alternative, housing allowance will be paid. Free medical facilities will be provided for appointee, wife and children. Membership of the Company's non-contributory pension scheme, etc.

Applications:

Typewritten applications together with photocopies of certificates and testimonials and indicating present salary and other relevant details together with names and addresses of two referees, should be addressed to:

The General Manager,
NIGERIA NATIONAL SUPPLY COMPANY LTD.,
P.M.B. 12662,
Lagos

to reach him not later than 21 days from the day of this publication. The position applied for should be clearly indicated at the top left hand corner of the envelope.

Only the applications of those selected for interview will be acknowledged.

UNIVERSITY OF JUBA - SUDAN

Applications are invited for posts of PROFESSOR/ASSOCIATE PROFESSOR/LECTURER *IN THE COLLEGE* OF SOCIAL AND ECONOMIC STUDIES. Specialisms required are Accounting, Public Administration/Management, Economics, Statistics. Applicants *should* hold a PhD and have had teaching experience. Appointment level will depend on qualifications and experience. Salary scales: *Professor* £S8,111 pa; Associate Professor £S5,960-6,749 pa; Lecturer £S3,171-5,377 pa. The British Government may provide salary supplementation in range £4,422-6,198 pa (sterling) for married appointees or £2,706-4,310 pa (sterling) for single appointees (*reviewed annually — normally tax-free*) and associated benefits. Family passages; various allowances; superannuation; annual overseas leave. Detailed applications (2 copies), including a curriculum vitae and naming 3 referees, should be sent to the Vice-Chancellor, University of Juba, PO Box 82, *Juba, Sudan, to arrive no later* than 31 *March* 1981. Applicants resident in UK should also send 1 copy to Inter-University Council, 90/91 Tottenham Court Road, London W1P 0DT. Further details are available from either address.

ITALIAN SPEAKING CONTROLLER

A fast *expanding multinational* manufacturing operation in the field of musical instruments require a senior executive to take charge of financial management and control on location in Tuscany. Salary is negotiable between £12,000-£16,500 depending on experience. In addition, the remuneration package consists of generous allowance for relocation, pension, life insurance, car, etc.

This is a senior appointment with excellent future prospects within the group world-wide. A background in accountancy would be preferable, but in any case candidates must *have demonstrated experience in a* commercial environment.

Please send details to:

Anthony & Co., Certified Accountants, 10 Charles II Street
London SW1Y 4AA - Tel: 01-930 3324

EMPLOYMENT CONDITIONS ABROAD LIMITED

An International Association of Employers co-operating to provide up-dated confidential information relating to employment of expatriates and nationals, world wide.

01-637 7604

Chief Credit Analyst
International Bank
Paris

Applicants should possess the following qualifications:

- Five to eight years' banking experience.
- Thorough knowledge of balance sheet analysis techniques (preferably American system).
- Ability to organise and supervise junior analysts and Documentation Department consisting of four people.
- Experience in preparation of credit proposals for review by senior management.
- Knowledge of various sectors of business activities and in particular commodities, shipping, real estate, construction and engineering in France and internationally.
- Common Market citizen fluent both in French and in English.

The successful candidate will be responsible to the Head of the Credit Department and will be responsible for the implementation of modern analysis procedures. He/she should be able to make objective judgments and to form opinions on requests for credit extensions on which detailed financial information is often not available.

Please reply in confidence, enclosing full curriculum vitae, to:

Box A7423, Financial Times
10 Cannon Street, EC4P 4BY

"NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS"

THURSDAY 5th MARCH 1981

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations. We propose to publish the list in our issue of Thursday, 5th March 1981, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments."

Advertising rates will be £22.50 per single column centimetre. Special positions are available by arrangement at premium rate of £25.50 per s.c.c. Copy date is Friday, 27th February. For further details, including reprints of previous features, please telephone 01-248 5597 or 4864 (*direct lines*).

Newly Qualified Accountants, especially Chartered, are never easy to recruit—don't miss this opportunity!

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

FX Dealers	to £17,000
FX *Dealer* (with French)	to £11,000
Sterling Dealer	£ Neg.
Graduate Lending Officer	to £14,000
Credit Analyst/Marketing	c. £11,000
Credit Analyst (with Spanish) Age 25-29	c. £8,000

PLEASE CONTACT
MIKE POPE or
SHEILA ANKETELL-JONES
01-236 0731

Q. S. Banking
Recruitment Consultants
30-31 QUEEN STREET, LONDON EC4

BANKING OPPORTUNITIES

SALARY 10.K. BANKING MANAGER

required for small, profitable City-based Merchant Bank. Age 30+. £9,000 total package.

ASST. TO CHIEF ACCOUNTANT

of large bank, W.1. Age twenties+, sound banking exp. City Merchant Bank looking for,

INVESTMENT FUND MANAGERS

in late twenties with some years exp. Excellent prospects. £ Market rate.

FOR MORE INFORMATION
RING MISS BRYCESON
638 1491

Alangate Banking Staff Agency
40-42 Copthall Ave., EC2

Godsell & Company Limited

Foreign Exchange & Currency Deposit Brokers

INTERNATIONAL MONEY BROKERS

We require for our Euro Dollar Deposit Section an experienced broker to establish and control a short-date deposit team.

Reply in confidence to:—

J. N. G. Moreton
Joint Managing Director
Godsell & Company Limited
Marlon House
71/74 Mark Lane
London EC3M 4AQ
Tel: 01-481 8353

R-H

SYSTEMS ACCOUNTANT

Prestigious International Bank requires an experienced systems *accountant for* their City offices. The ideal candidate will be a graduate in computer sciences with accounts experience or a qualified accountant with sound systems background. Working in the management information division you will act as an interface between the accounts & d.p. personnel working on the installation of automated systems. Good knowledge of high capacity mainframes an advantage. Salary c£10,000 + excellent fringe benefits.

LOANS ADMIN.

International bank requires Snr. loans admin. person. Suitable candidates will have sound experience in all aspects of loans admin. including syndicated loans preferably gained with an American bank. Salary c£7,500 + benefits.

CREDIT ANALYST

Applications are invited from experienced analysts who feel they have the ability and confidence to become an important member of an established expanding bank. Educated to degree level you will be fully experienced in all related duties and have a sound knowledge of Europe and its major companies. Salary will be in accordance with experience and background.

Lee House, London Wall, London EC2Y 5AS Tel: 01-606 6771

ROBERT HALF
Accountancy & Financial personnel specialists

ECONOMIST/STATISTICIAN

Barclays Bank Limited has a vacancy for an economic analyst in its Treasurer's Office located in the City. The successful applicant would join an established team assisting in the Bank's sterling money market operations and giving day-to-day advice on most aspects of the management of the bank's balance sheet.

Applications are invited from economists or statisticians who are likely to have between two and five years practical experience in forecasting or with a suitable academic background. We would expect the applicant to contribute initially in the development of econometric models or in analysing the economy and the bank's flow of funds, thereby assisting in the development of balance sheet management strategies. Some knowledge of computer applications would be an advantage. The ability to communicate the results of technical work to non-specialists is important, as well as being able to show a practical approach to solving management problems. There is considerable scope for initiative and innovation.

The salary will be according to age and experience and will be competitive. There are also excellent fringe benefits.

Please write for an application form to:

C. F. Badcock Esq.,
Manager (Graduate Recruitment),
Barclays Bank Limited,
Staff Department,
54 Lombard Street, London EC3P 3AH.

BARCLAYS

TORONTO DOMINION BANK
AREA OFFICER

We are seeking an experienced international banker to provide strong support to one of our Senior Representatives. The successful applicant will be directly responsible for the preparation and evaluation of lending opportunities and country reviews as well as being directly involved in all aspects of a geographic area.

The position is demanding and requires someone who enjoys a challenge and is able to work on his/her own initiative.

An attractive salary and benefit package together with excellent career opportunities will be offered. We require a graduate between the ages of 25 and 30 with several years' banking experience in the lending field. Fluency in another European language would be an advantage.

Applications in strict confidence should be sent to:—

Manager Personnel
The Toronto-Dominion Bank
St. Helen's
1 Undershaft
London EC3A 8HU

FINANCIAL ACCOUNTANT

c £10,000

Star are a Computer Service Company that has enjoyed exceptional growth.

A qualified ACA or ACCA is sought with both a good financial background and wishes to put into effect professional management techniques. A good level of interpersonal skills and communication ability will be expected. Applicants must be aged under 35, and must have had some previous contact with using computers.

Responsibilities include accounting, management reporting, administration and staff management. Reporting to the financial director.

Please apply with cv to:

David Blechner
Managing Director
Star Computer Group
64 Great Eastern Street
London EC2A 3QR

Investment Analyst

We wish to recruit an additional person to our Investment Department to join a team of young specialists formulating and implementing an active investment policy over a wide range of securities.

The successful applicant will have a professional *qualification* or good class degree in economics/accountancy or other subject directly related to the work. Some previous experience is preferred but not essential, since thorough training will be given. We would expect a positive contribution at an early stage.

The appointment will carry an attractive starting salary and other conditions of service include non contributory pension and associated benefits and low cost staff house purchase facilities etc.

Please write in confidence, giving age and details of qualification and experience to Personnel Manager, Provident Mutual Life Assurance Association, 25-31 Moorgate, London EC2R 6BA.

MANAGER

required for the London Clearing Unit of an International trading group responsible for securities' settlements through clearing systems and various foreign custodians and commodity clearing/settlements through ICCH and LME brokers. Candidates should have 5 years' experience in metals and soft commodities, fixed income securities and equities and related operational procedures. Familiarity with the application of basic data processing concepts to the brokerage industry is desirable. In addition to usual managerial skills, he or she must be a decision maker—able to take initiative *in fast moving situations.*

Salary circa £12,000-£14,000 according to age and experience. If you think you can handle this challenge, we would like to hear from you. Please write with career details to: *Box A7437, Financial Times, 10 Cannon Street, EC4P 4BY.*

CROWN

Crown Central Petroleum Corporation
has opening for a
Managing Director
of its London subsidiary office.

Proven experience in international crude oil and products supplies/trading as well as good negotiating skills are required. Foreign travel envisaged.

Salary negotiable and pension will be provided.

Application, enclosing curriculum vitae, can be sent in confidence to:

Mr. J. E. Pellaton
c/o CROWN CENTRAL INTERNATIONAL (UK) LTD.
6/8 Sackville Street, Piccadilly, London W1X 1DD

BARRISTER or SOLICITOR

Excellent Opportunity offered in
£20,000 p.a. salary range

Permanent Legal Adviser required for the British Phonographic Industry Limited. The BPI, the trade association of the recording industry in the United Kingdom, wishes to set up a Legal Department and is looking for a qualified Barrister or Solicitor to run the Department.

Knowledge of copyright matters is essential, together with some other experience of recording contracts and practices.

Salary will be commensurate with the high calibre of candidate required.

Applications should be sent to the Director-General, British Phonographic Industry Ltd., Roxburghe House, 273/287 Regent Street, London, W1R 8BN.

APPOINTMENTS WANTED

PROFESSIONAL EXECUTIVE

Age 34; Chartered Secretary with extensive experience in an international investment banking environment covering general administration, secretarial practice, legal matters, loans administration, cash management, funding, company reorganisations, production of management information, etc. . . seeks a Secretarial, Administrative or Corporate Finance assignment with a financial institution located either in the City of London or an overseas financial centre.

Please write Box A.7438, Financial Times, 10, Cannon Street, EC4P 4BY.

DEALER REQUIRED

familiar all currencies

for an

American Bank

Salary £13,000
Age 27+
LJC
BANKING APPOINTMENTS
01-283 9953
for an immediate appointment

MAGDALEN COLLEGE, OXFORD

College Accountant

Magdalen wishes to appoint a qualified accountant who will be responsible to the Senior Bursar for the keeping of the College accounts. Experience *of computerised accounts would* be desirable.

The appointment will start on 1st July, 1981, or as soon thereafter as possible. Salary will depend on age and previous experience. Closing date for applications will be 15th March 1981.

Application forms and further details available from:

The Senior Bursar,
Magdalen College,
Oxford, OX1 4AU.
Tel: Oxford 43150/41608.

ASSISTANT ACCOUNTANT
FIDELITY UNIT TRUSTS

An outstanding opportunity has arisen to join the young, enthusiastic team at Fidelity International Management Limited—a rapidly growing, successful unit trust management group with modern offices in the City.

The position will initially involve general book-keeping on trust accounts up to Final Accounts. There will be *immediate responsibility for 8 trusts* and the successful candidate will be expected to work with minimum supervision.

Experience should cover both manual and computerised systems with preferably a sound practical background in a related field. It is anticipated applicants will have achieved a reasonable progression through a recognised accountancy qualification.

An age bracket of 25-30 is anticipated with a competitive salary and fringe benefits.

Write, in confidence, with full details to:

The Finance Director
Fidelity International Management Limited
Buckingham House
62/63 Queen Street
LONDON EC4R 1AD

JOBS COLUMN

Executive redundancies—the real villains

BY MICHAEL DIXON

IN ONLY four months unemployment among manager and specialists in the United Kingdom has risen by 57 per cent. That would seem scarcely credible did I not have evidence of it in the latest count of jobless candidates registered with the Government-sponsored Professional and Executive Recruitment agency.

The count, made on February 2, records the total number of unemployed higher-grade staff registered with PER as 128,286. Of these, however, 31,897 were "new entrants" in the sense that they had no experience in the kind of work they registered themselves as seeking. To remove the risk of exaggerating the position, it seems best to work on "net" figures arrived at by deducting the new entrants from the total numbers registered as jobless.

This I have done in compiling the accompanying table. Its bottom line shows the overall rise of 57.2 per cent in the total net figure since PER's count on October 2. The grand total of 61,330 at that date itself represented an increase of 26.9 per cent over the previous six months.

Above the grand total I have set out the categories of staff in which the past four months have brought rises in unemployment of 50 per cent or more. The few categories where the increase was less than half include the major one of teaching staff, of whom a net 15,454 were on the agency's jobless register at the latest count—22.4 per cent more than the number on October 2.

Looking at the 22 categories appearing in the table, one cannot help wondering how ministers have the gall to continue exhorting young people to train for careers in manufacturing industry. More than seven draughtsmen or women unproductive for every three a mere four months earlier; nearly nine engineers and technologists for every five; more than 17 technical support staff for every 10; about eight production managers for every five.

LARGEST RISES IN UNEMPLOYMENT AMONG MANAGERS AND SPECIALISTS

Category of staff	No. on register as unemployed Feb. 2	(Oct. 2)	"New entrants" included in register Feb. 2	(Oct. 2)	Unemployed net of "new entrants" Feb. 2	(Oct. 2)	% rise over four months
Draughtspeople	2,895	(1,295)	111	(105)	2,784	(1,190)	133.9
Surveyors	768	(523)	206	(266)	562	(257)	118.7
Biologists	2,036	(1,825)	1,396	(1,514)	640	(311)	105.8
Secretarial staff	611	(490)	203	(288)	408	(202)	102
Data processing	4,300	(3,706)	2,222	(2,673)	2,078	(1,033)	101.2
Engineers and technologists	7,773	(5,428)	1,686	(2,171)	6,087	(3,257)	86.9
Technical and scientific support	6,747	(4,638)	1,201	(1,397)	5,546	(3,241)	71.1
Libraries, art galleries etc.	9,330	(8,282)	4,738	(5,544)	4,592	(2,738)	67.7
Administrative and other non-production managers	23,044	(15,731)	4,310	(4,374)	18,734	(11,357)	65
Accountants	3,910	(3,012)	940	(1,206)	2,970	(1,806)	64.5
Estate agents etc.	3,265	(2,928)	1,483	(1,839)	1,782	(1,089)	63.6
Aircraft and ships' officers	866	(556)	77	(70)	789	(486)	62.3
Personnel	3,358	(3,082)	1,597	(1,994)	1,761	(1,088)	61.9
O&M staff, statisticians	1,784	(1,282)	341	(388)	1,443	(894)	61.4
Production managers	5,069	(3,288)	191	(246)	4,878	(3,042)	60.4
Food preparation staff	18	(11)	2	(1)	16	(10)	60
Sales and marketing	15,748	(11,395)	2,421	(3,044)	13,327	(8,351)	59.6
Town planners and architects	1,128	(994)	413	(535)	715	(459)	55.8
Purchasing staff	2,034	(1,415)	133	(185)	1,901	(1,230)	54.6
Chemists, physicists and other natural scientists	2,785	(2,577)	1,396	(1,668)	1,389	(909)	52.8
General managers	2,390	(1,656)	123	(157)	2,267	(1,499)	51.2
Social and health	6,019	(5,145)	2,290	(2,659)	3,729	(2,486)	50
All higher-grade unemployed	128,286	(99,501)	31,897	(38,171)	96,389	(61,330)	57.2

That, of course, is not to mention the doubling of jobless data processing staff, the three fifths increase in unemployed sales and marketing people, and so on.

Nor, having attended a Recruitment Society seminar on executive redundancy the other day, can the Jobs Column help wondering how many of the extra managers and specialists arrived in the table like the senior executive described to the seminar by John Wilson of the British Institute of Management.

At 10 o'clock that very morning, this executive had been called to his managing director's office and told briefly that a problem had arisen, and the personnel director was waiting back at the executive's own office with the details. Goodbye!

"Sorry, old chap, we've run into trouble and you're having to be released," said the personnel director. "Did you come into the office in your car?"

The executive nodded.

"Good," the personnel chief replied. "Then I can drive you home in it now, and bring the car back to the company pool. Would you give me the keys, please?"

So it came about that half an hour after his first inkling that anything might be wrong, the senior executive was back in his house, without any job, without any car, telephoning the British Institute of Management for advice.

Unfortunately Mr. Wilson would not disclose the identity of the company in question (nor did any of the society's other members at the meeting seem willing to name names when telling of comparable abuses). Had he done so, I would have inquired into the company's reasons for such callousness.

On the other hand, it was fortunate that the newly jobless executive did telephone the BIM for advice. Otherwise he might—like numerous other people similarly under the shock of sudden redundancy—have gone out and signed himself up for a course of counselling, perhaps at the personal cost of £3,000 or more.

It was concern about such redundancy counselling services that led the Recruitment Society to hold the seminar. Ten years ago there were only two consultants in the field, we were told, but now the number was nearing 20 and apparently still growing. The question was whether and, if so, how these should be regulated so that shocked, sacked people would be less liable to spend thousands on a course of treatment that was often far more elaborate than they needed, and sometimes did them more harm than good.

Since the meeting produced little by way of answers, it was suggested that the Jobs Column's readers might have some suggestions to make. If so, please send them, and I'll pass them on. But, as John Wilson said, the real villains of the piece are not the counsellors, but the company managers who in many cases "out of sheer unadulterated cowardice" chuck out competent, hard-working colleagues like bits of offal.

EQUITY SALES - FINANCIAL SECTOR

25-35 **up to £15,000 including bonus**

A major firm of city stockbrokers will shortly appoint a salesman/woman to join a financial team with a leading reputation in this area. Particular responsibilities will include servicing major institutions.

The ideal candidate will have the following profile:-

★ Experience of selling and/or analysising financial shares.

★ Ability to understand and interpret sophisticated and comprehensive research material.

The position offers a first-class career with a firm which is a leading name within the investment world.

An attractive salary is offered, plus bonus.

Please apply to Jock Coutts.

Chichester House, Chichester Rents, **Career plan** LIMITED London WC2A 1EG. Tel: 01-242 5775

PERSONNEL CONSULTANTS

Director General

British Standards Institution

Incorporated by Royal Charter, BSI is the recognised body in the UK for the development and publication of national standards. It is a major organisation concerned with certification, testing, inspection and information services as well as standards work, employs over 1,000 people and has an annual budget of over £14m. The increasing impact of standards in all sectors of national life is certain to result in a rapid enlargement of the role and significance of BSI during the 1980's.

A successor is now sought on the retirement of Dr. G. B. R. Feilden, CBE, FEng, FRS. The Director General is BSIs chief executive, responsible to a non-executive board for the direction and control of the institution's work, and for fostering and promoting the role of standards nationally and internationally. The essential requirements are: a record of achievement and substantial general management experience in industry or a related field, very desirably in a high technology activity; the demonstrated ability to communicate effectively at the highest levels in industry, in government and with the media; age preferably under 55.

Salary is for discussion above £30,000 with car and appropriate other benefits. Those interested, or who wish to make a nomination, are invited to communicate in confidence with W. A. Griffith at MSL Executive Search Limited.

This appointment is open to men and women.

MSL United Kingdom Australasia Benelux Canada France Germany Ireland Italy Scandinavia South Africa Switzerland U.S.A.

International Management Consultants
52 Grosvenor Gardens London SW1W 0AW
Tel: 01-730 0255

Why should someone in the City want to become an insurance salesman?

When you've spent years training for and practising in a certain profession, a change of career is not a matter to be lightly undertaken.

But there can be compelling reasons for making that change.

And working for Cannon Assurance can offer you a really exciting alternative.

We can provide the freedom of being your own master, of working the hours that you choose from the privacy of your own home without all the constraints of a conventional office environment. And as well as that, there is the incentive of outstanding financial rewards.

What we want is a number of motivated and well-qualified people to serve the investment needs of specialist groups – solicitors, stockbrokers and accountants. So, understandably, experience in one of those fields is an essential requirement.

A special training programme is being organised to enable you to carry out the necessary tasks. Which is why, if you feel that this is the kind of opportunity you've been looking for, we'd like you to get in touch with us soon. Write to Ian Swan at the address below.

Because we don't want you to waste any more of your time working in the wrong business when you could be working for us instead.

Cannon Assurance

1 Olympic Way, Wembley, Middlesex HA9 0NB. Tel: 01-902 8876.

A MEMBER OF THE CASCADE GROUP

All opportunities offered by Cannon Assurance are open equally to men and women applicants.

Director Trade Association

to £17,000

A well-established Trade Association, representing the interests of over 800 member firms, seeks a Director General to lead its full-time staff and to assist its Council in the planning of strategies to meet the needs of the 80s. He or she will also represent the Association in certain circumstances. Demonstrable administrative and business management skills are equally important, and the successful candidate will have senior management experience in industry. The preferred age is around 45, and a professional qualification could be an advantage. Salary in the region of £17,000, pension arrangements are negotiable and a car is provided. Location: west of London.

Ref: GM3/7583/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

INVESTOR RELATIONS

FINANCIAL PR

London Salary neg.

In 1980 Tricentrol, already listed on the London Stock Exchange, was also listed on the New York and Toronto Stock Exchanges. This expansion has resulted in the creation of a new position in the Public Affairs Department.

You will have experience in investment analysis and a knowledge of the oil industry. Based in London, you will be required to represent the Company to the investment community both in the UK, North America and worldwide. Knowledge of public relations is not vital, but the ability of clear expression in both spoken and written form is.

Please write in confidence, enclosing your cv to.
Mr A A Mayes, Director of Public Affairs,
Tricentrol Limited, Capel House,
New Broad Street, London EC2M 1JS.
All applications will be treated in strictest confidence.

Tricentrol

A British international resource exploration and production company with wide ranging commercial activities

COMPUTER AUDITING

A new era for us. With your help.

Sainsbury's results speak for themselves. Increased sales, increased profit, increased re-investment: the trend demands greater involvement in our auditing by the computer — this in a company already committed to the use of advanced DP technology in all aspects of our retail business.

To help us enter this new era with confidence and success, we need a Computer Audit expert. You will be a qualified Accountant with at least two years' specialised post-qualification experience in computer auditing, gained with a professional firm or in internal audit with a major organisation.

Joining our London-based audit team at senior level, you will take specific responsibility for advising us on the setting up and development of computer auditing systems from basics. You will also evaluate existing systems and controls, working with the support of one of the UK's largest and most sophisticated computer installations.

Starting salary will be negotiable c. £11500 pa with an attractive benefits package.

For more information and an application form, please contact Philip Johnson, Recruitment Manager, J. Sainsbury Limited, Stamford House, Stamford Street, London SE1 9LL. Tel: 01-921 6576.

SAINSBURY'S

RESEARCH ASSOCIATES FOR STRATEGY CONSULTING FIRM

FLUENCY IN SWEDISH

Bain and Company is a rapidly growing management consulting firm specialising in corporate strategy, with headquarters in Boston and offices in San Francisco and London. The firm is seeking candidates for the position of Research Associate in the London office.

Research Associates, working as members of consulting case teams, collect and analyse the data which constitute the basis of strategy formulation and implementation. Tasks include information searches, market interviews, data evaluation and analysis, case team discussion, and data presentation.

Formal requirements include:

- Fluency in both English, Swedish and one other European language
- University and business education
- Strong academic record
- Good quantitative and communicative skills
- Strong motivation

A high degree of responsibility and autonomy is both encouraged and expected. In addition, Bain and Company requires considerable commitment from their employees in terms of attitude, time and flexibility. The high standards required for acceptance into the firm are *reflected in staff compensation. Opportunities are available* for long term advancement in the firm.

Interested applicants should send their curriculum vitae to: Hilary Quinn, Bain and Company, 12a St. George Street, London W1R 9DE

Investment Management

MGM Assurance, a long established life office, with investments of £130M, seeks an Assistant to join the Investment Team. The initial task will be the development of a broad stock market coverage with emphasis on UK ordinary shares. The position will probably be filled by a numerate graduate, male or female, with a minimum of one year's relevant experience with an insurance company, pension fund, investment trust or stockbroker.

The department is located in the Society's modern administrative headquarters on the South Coast and close contacts with the City are maintained by all investment staff.

Salary will be negotiable over £8,000. A first class range of benefits are available including mortgage facilities and relocation assistance if appropriate.

Please write, in confidence with comprehensive details to S. Hales, Personnel Manager, MGM Assurance, MGM House, Heene Road, Worthing, West Sussex BN11 2DY.

MGM ASSURANCE

Marine and General Mutual Life Assurance Society

Hotel Financial Controller

London

Our client, a leading US based international hotel company, requires an experienced Controller for one of the company's prestigious London hotels. The company is an acknowledged industry leader and owns, operates or franchises over 80 hotels worldwide. The position advertised offers real prospects for future advancement within the company, either at the hotel level or as a member of the Corporate staff.

Applicants should have a recognised accounting qualification or corresponding university degree. Knowledge of the hotel industry and data processing, while not essential, will be a decided advantage in the evaluation of applications. The successful candidate will be directly responsible for a department of approximately 40 staff operating a computer-based accounting system. Responsibilities will include cash management, the formulation and supervision of day-to-day operating reports and financial statements, the preparation and control of operating budgets and the co-ordination of all legal aspects of the hotel's activities.

Salary is negotiable and will be commensurate with the background and ability of the successful applicant. Excellent benefits are provided.

Please write in the first instance, submitting a concise curriculum vitae, in complete confidence, listing the names of companies to whom your application should not be forwarded, to:

B. Wood, Account Manager (CRS/201),
Lockyer, Bradshaw & Wilson Limited,
North West House, 119-127, Marylebone Road, London NW1 5PU.

LBW

LOCKYER, BRADSHAW & WILSON
LIMITED

Treasury Management

to £15,000

A substantial UK based group, with diversified world-wide operations, requires a young Treasury Specialist to fill a challenging and responsible role within its active corporate treasury team.

The need has been identified for an individual with a bright creative mind and an innovative approach with at least 2 years' relevant experience gained either within the Corporate or Banking sectors.

A good degree, an MBA and/or a professional qualification are the minimum requirements sought. The position is London based.

Please telephone (01-629 1844 at any time) or write – in confidence – in the first instance for a personal history form. M. Hordern ref. B.1824.

This appointment is open to men and women.

MSL United Kingdom Australasia Benelux Canada France Germany Ireland Italy Scandinavia South Africa Switzerland U.S.A.

Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Divisional Accountant

City

A divisional accountant is needed at the centre for European operations of a leading international firm of commodity brokers.

Reporting to the Financial Director, the accountant will have a significant role in the development of a progressive and fast moving financial function. The work entails close liaison with the commodity traders, responsibility for the monthly management reporting cycle and the financial appraisal of operating performance.

The requirement is for a qualified accountant with experience of computer systems and tight reporting schedules, coupled with the ability to present financial information to senior operating management. Age: late 20's.

Remuneration: around £11,500.

Please write in confidence to CT Garcia (Ref 108F).

Thomson McLintock Associates 70 Finsbury Pavement London EC2A 1SX **TML**

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

FINANCIAL CONTROLLER £18-20,000 — Qualified A.C.A. to take ultimate responsibility for Accounting, Human Resources and Data Processing at London-based European Operations Centre of substantial international bank. Considerable relevant experience within a financial institution is required. Age preferred: 30s.
An Assistant Controller, with a similar background, is also required in this area; age late 20s/30s, salary £15-17,000. These vacancies arise as a result of expansion.

HEAD OF ACCOUNTS to £17,000 — Major international bank seeks Chartered Accountant, aged 30-40, with minimum 5 years' experience in bank accounting at senior level. O & M/systems liaison is involved in addition to management of Accounts Department.

CHARTERED ACCOUNTANT £11-13,000 — For leading American bank. Candidates, qualified Accountants in their mid/late 20s, should have minimum one year's p/q experience in a line financial management position within a bank. Appointee will prepare and review internal/external management information, and have an advisory rôle for the marketing area.

TRUST MANAGER, Cayman Islands. Negotiable — Aged 28-40, with substantial experience in offshore trust business at management level. Appointment will be as Deputy Managing Director.

F.X. SUPERVISOR c. £8,000 — For expanding German bank. Opportunity to head Settlement Dept. backing up active F.X. trading room, and also to assume management rôle in general bank admin. Additional experience in accounting/computer necessary. Age up to 30.

For further details, please telephone David Little or Kevin Byrne

First floor - entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

BP is Britain's largest and one of the world's leading companies.
International growth and diversification have created opportunities for new energy related businesses in Exploration, Oil Refining and Marketing, Chemicals, Minerals, Coal, Gas, Nutrition, Detergents and other new ventures.

Recently qualified chartered accountant? International outlook?

Have you qualified recently in a professional firm of accountants after gaining a university degree?

Are you aged 24 to 28, preferably with a second language and a knowledge of DP?

Do you want a responsible and demanding job in a major company offering the possibility of world-wide travel and inter-company and inter-functional transfer?

Start a career with BP in one of these functions at our City head office.

TAX & INVESTMENTS Tax Department deals with the Group's global tax position including tax planning, management and compliance, etc., and represents the Group in tax dealings with the authorities. Investment Department manages the assets of the Group's pension schemes and other portfolio management including multi-currency liabilities.

GROUP AUDIT A highly developed function employing a range of professionals, conducting world-wide operations audits and corporate internal control services. An excellent introduction to the many parts of BP's operations.

FINANCIAL CONTROL Ensures that forward plans are presented in pursuit of objectives and performance is monitored against these plans. Implements control procedures for capital and revenue expenditure, including the provision of information for management control purposes.

GROUP ACCOUNTS Arranges the preparation, maintenance and consolidation of Group Accounts and Reports for shareholders and other third parties. Analyses forecasts and actual group profitability by sector and business.

ACCOUNTING CENTRE Maintains and prepares the Group Accounts in respect of UK & Overseas Associates, including recording purchases and settlements, salaries, pensions, staff accounts and expense claims. Liaises with Accounting Systems and Computer Department, for provision of systems and DP service, internal check, control and monitoring procedures.

We offer excellent salaries plus London Allowance, non-contributory pension, assistance with re-location expenses, where appropriate, and many other big company benefits.
Please write with details of qualifications and experience, indicating the functions which particularly interest you, quoting reference B.949, to: Sue Bartholomew, Central Recruitment, The British Petroleum Company Limited, Britannic House, Moor Lane, London EC2Y 9BU.

BP Britain at its best.

Portfolio Manager

U.S. and Canada
circa £12,000
plus excellent benefits

Our client, a major institution with over £400 m under management internationally, seeks an able individual to take over responsibility for managing their U.S. and Canadian portfolio.

The successful candidate will probably be a graduate, aged 26 to 30, with at least two years experience of covering North American securities. This may have been gained in a research and/or sales capacity with a firm of Stockbrokers but ideally as an analyst/investment manager in an Institution.

The position should appeal to an ambitious person who now seeks greater scope for advancement. Remuneration is by way of basic salary plus low mortgage facility, non-contributory life insurance and pension scheme, BUPA, subsidized lunch and bonus.

Please contact F.J. Stephens who will treat all enquiries in the strictest confidence.

Stephens Associates
International Recruitment Consultants
35 Dover Street, London W1X 3RA. 01-493 0617

TRAINEE ORDER CLERK/TRADER

For U.S. stockbroking firm in city office, aged 20-27. Qualifications—bright, self-confident, good with figures, some experience in stock commodity or money markets in U.K./U.S.

Applicant expected to take New York S.E. exam within two years. Salary will depend on experience and job offers good career potential and salary.

Reply with C.V. to Miss Oak,
2/12 Wilson Street, London, E.C.2.

TAX PARTNER DESIGNATE

London — West End **To £20,000 p.a.**

Our client, a progressive medium sized firm of chartered accountants, is seeking to recruit a Tax Partner Designate. He/she should be capable of handling a broadly based, mainly corporate tax, portfolio, which ranges from family businesses to very large private groups with international interests. In addition, the firm handles a significant volume of tax consultancy/commercial advisory work in which the appointee would be involved.

Candidates should be at least full managers in medium or large firm corporate or mixed tax departments, within public practice or possibly in industry. Qualified A.C.A.'s in the age range 28-35 are preferred.

Prospects for partnership are available within a reasonable time.

For more information please contact George Ormrod B.A. (Oxon) or Paul Carvosso M.A. (Oxon) A.C.A. on 01-836 9501, or write to Douglas Llambias Associates, 410 Strand, London WC2R 0NS, quoting reference 3134.

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants

and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

Upper Level EXECUTIVES

Job search is highly competitive – you need
* Access to the large unadvertised job market
* Access to the many influential selection consultancies
* First class research and secretarial services
* Career development assistance

Phone for a confidential discussion with Europe's most experienced re-deployment consultancy. If you are becoming redundant enquire how your employer can include job search services in your severance package.

Percy COUTTS & CO. LTD
01-839 2271
140 Grand Buildings
Trafalgar Square
London WC2

Zero to £12 million sales in one year

To help continue such rapid growth, this grocery service company requires an exceptional

Financial Controller

who will be dedicated to outstanding levels of achievement and thrive in a particularly demanding environment. The main requirements are:

- ★ Senior management accounting experience in a fmcg company
- ★ Thorough understanding of the UK grocery trade
- ★ *Imaginative thinking and a relaxed and open management style*
- ★ Probably aged 32-40

Salary negotiable around £16,000 plus car, etc. Excellent prospects include a Board appointment, bonus and equity participation.
Central London location.

For an initial talk about this career opportunity, telephone Peter Southgate, *Haymarket Consultants, Research and Information Office,* 12 Gildredge Road, Eastbourne, East Sussex BN21 4RL.
Tel: 0323 643349.

HAYMARKET
CONSULTANTS

TULLETT & RILEY

(MONEY MARKETS) CO. LTD.

(Incorporating London & Westminster (Sterling Brokers) Ltd.)

Have vacancies for Experienced Brokers in the following areas :—

INTERBANK

LOCAL AUTHORITIES

COMMERCIALS

Please write or telephone

THE DIRECTORS
TULLETT & RILEY (MONEY MARKETS) CO. LTD.
PRINCE RUPERT HOUSE
64, QUEEN STREET
LONDON EC4R 1AD
TELEPHONE 01-248 5515

Group Accountant

Speyhawk Land and Estates Limited, based in Twickenham, require a group Accountant to exercise financial and management accounting functions within the group. Salary range is £13,000-£15,000 per annum, a company car will be provided. Applicants should be of a calibre to merit further promotion.

We are a young and rapidly-expanding company engaged in the development and construction of commercial and industrial property investments in London and the Thames Valley. We enjoy an enormous workload and the prospects are exciting. The successful applicant will need to establish first class systems and procedures and must accept substantial responsibility.

Applicants should be professionally qualified possessing both commercial and professional experience. A real contribution to the company's activities is expected.
Write fully to:—

D. Parkes, Esq., Director
SPEYHAWK LAND AND ESTATES LIMITED
Saracen House, Saracen Place
Church Street, Twickenham TW1 3NJ

Speyhawk

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM and SHEFFIELD

Financial Controller/ Company Secretary

Northern Home Counties, up to £14,000 + car

An opportunity exists to head up the financial function with an active commercial involvement and to undertake a general management role with real prospects of a directorship. As right hand to the Managing Director of a rapidly expanding, medically based and internationally oriented subsidiary of a profitable group, you will be a commercially aware financial all-rounder. Your strengths will include costing, providing accurate information quickly, managing cash within the UK and overseas, appraising new ventures/acquisitions and you will be familiar with computerised systems.

D.E. Halliday, Ref: 36321/FT. Male or female candidates should telephone in confidence for a Personal History Form **021-622 2961**,
Albany House, Hurst Street. **BIRMINGHAM**, *B5 4BD.*

David Grove Associates
Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-236 0640

FX DEALER to £14,000

Prime American Bank seeks dealer, aged 25+, with at least 3-4 years' dealing experience in all major currencies. FX and Deposits. The Bank's major business is in Eurodollar Deposits.

PLEASE CONTACT JOAN MENZIES ON 01-248 1858.

INVESTMENT RESEARCH £8,000 neg

This is an interesting opening for a person with previous experience in the fixed interest securities market to join a research team in an *International Merchant Bank. Candidates should be graduates,* numerate and good communicators. The position offers excellent potential to develop research skills.

PLEASE CONTACT DAVID GROVE ON 01-248 1858.

FINANCIAL PRODUCER BBC RADIO 4

£9,739 - £11,957 p.a.

plus £415 p.a. for working irregular hours

Radio 4 *needs an experienced* producer for *its two* programmes " Financial World Tonight " and " Money Box ". The first requires a specialised knowledge of economic and financial affairs gained through this field of journalism, with an awareness of attitudes in the City, Industry and Government. The second, a personal finance programme with a very much wider audience, calls for a high degree of understanding of more workaday financial problems, combined with the ability to explain issues clearly and simply.

Starting salary according to qualifications and experience. Based Central London. Relocation expenses considered.

Contact us immediately for application form (quote ref. 1047/FT and enclose s.a.e.), BBC Appointments, London W1A 1AA. Tel: 01-580 3334 (3 lines).

BBC

Business Planning Manager

C. London c£12,500

This is an ideal opportunity for a numerate graduate, M.B.A. or qualified *accountant* who has experience of providing *financial analysis* or accounting support in an international marketing environment and is now ready to assume broad commercial responsibilities leading to general *management* opportunities. Our clients are a small but potentially significant part of a world-wide corporation exporting high technology products into North Africa. The person appointed will be responsible to the General Manager of the region for financial reporting and analysis, controlling sales/shipping documentation and negotiating with customers. Applicants, *male or female*, must be prepared to travel outside the U.K. for about 10 weeks in the year and combine an entrepreneurial outlook with high *professional standards.* Preferred age – late 20's. *It is desirable to have or be willing* to acquire a working knowledge of French. Ref. 1534/FT.
Apply to R. A. Phillips, ACIS, FCII, 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel: 01-636 0761.

Phillips & Carpenter
Selection Consultants

CJA

RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

Opportunity to make important contribution to development of merchant banking business—career prospects relate directly to progress achieved.

ASSISTANT TO NEW BUSINESS MANAGER

CITY **£9,000—£12,000**

SUBSTANTIAL MERCHANT BANK

We invite applications from graduates or professionally-qualified A.C.A., A.I.B., or A.C.I.C., aged 23-28 with minimum two-years' post-qualification experience in Corporate Research, Business Development or Credits/Loans Departments of a London Merchant Bank. The successful candidate will be responsible to the New Business Manager for his comprehensive back-up service and will deputise as necessary. This will involve potential customer identification and analysis and presentation of proposals. He or she will be able to communicate effectively both internally and with customers and future clients. This appointment carries excellent scope for advancement. Initial salary negotiable, £9,000-£12,000, non-contributory pension, and customary other benefits, including subsidised mortgage facility. Applications in strict confidence under reference ABM 4025/F.T. to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374.

Commercially Minded ACA

(BUSINESS DEVELOPMENT AND STRATEGY)

£12,000-£15,000

ISLEWORTH, MIDDLESEX

An Accountant aged 26-28 with commercial post qualification experience is to be appointed by this highly profitable UK Company which has grown rapidly over the last 10 years. This growth has been achieved not only by quality of product and service but by maintaining a policy of reinvestment in its operations.

The position reports to the Controller of Finance and responsibilities include annual and monthly accounts & reports, budgetary control and planning. A major facet of the role will be to examine all aspects of the operation, develop financial & management information systems, as well as introduce improved measurement and costing techniques.

There is considerable scope within this function to influence line management colleagues from technical and various other disciplines. The successful candidate will be expected to take advantage of this in establishing objectives and determining strategy for future growth.

Promotion prospects exist within the Company and financial rewards are excellent.

Interested candidates should reply in confidence to:-

Sheldrick, Sedgwick & Goodyer

25 John Street, Gray's Inn, London WC1N 2BL. 01-405 9843
Senior accountancy & financial management selection

North Sea Oil Exploration and Production

ACCOUNTANT

Unionoil Company of Great Britain, a subsidiary of Union Oil Company of California, requires a Qualified Accountant, preferably ACA, to join the Accounting and Finance Department at the Sunbury-on-Thames Head Office.

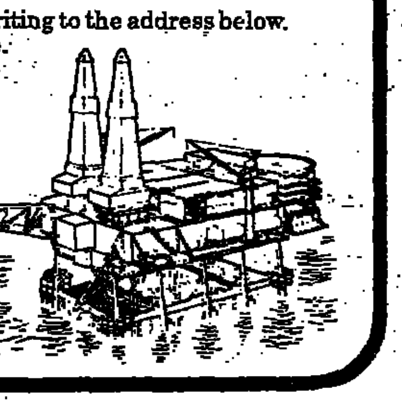
Reporting to the Senior Supervising Accountant, the successful applicant will assume responsibilities concerned with all aspects of joint venture accounting and Home Office reporting.

An attractive salary and related benefits will be provided to an aggressive, career-minded individual wishing to pursue his/her ambitions with an international oil company.

Oil-related experience, although not a requirement, would be considered an advantage.

Interested persons should respond in writing to the address below. All responses will be held in strict confidence.

Manager, Administrative Services,
Unionoil Company of Great Britain,
32 Cadbury Road,
Sunbury-on-Thames,
Middlesex.



UNION 76

Investment Analyst

£9,260—£11,590 p.a.

The Electricity Council wish to appoint an analyst in their Investment Branch which has responsibility for the investment of the funds of the Electricity Supply Industry's. *Superannuation Schemes.* The current value of these funds is about £1,500 million.

Investment analysts are responsible for keeping under close review the various sectors within a substantial portfolio of ordinary stocks and shares: assessing detailed studies of industries and companies, vetting company accounts and monitoring stock market price performance. The analysts are required to make specific investment recommendations whilst also assisting in the general administration of the investments, and prepering occasional reports on a wide range of related investment matters.

The man or woman we are now seeking to join the investment team will have a sound knowledge of economics and investment principles and will already have practical experience of share analysis within the Investment Industry.

Please write in confidence giving details of age, career to date and present salary quoting F/14 to:—

Duncan Ross, Recruitment & Development Officer,
The Electricity Council,
30 Millbank, London SW1P 4RD.

ELECTRICITY COUNCIL

Credits Executive

Age 28-35 c.£13,000

This banking position requires an individual who is experienced in both the negotiation and then completion of facility letters and loan agreements for private sector clients in the UK. The London branch of one of Europe's leading banks is seeking to develop further its portfolio of short and medium-term loans to medium size and major UK companies. The Credits Executive will play a key role in this expansion and will be responsible with a small team for identifying and marketing to companies in chosen industry sectors and for maintaining account relationships. Promotion prospects are good and the post carries with it membership of the bank's Marketing and Credits Committee. Candidates, aged 28 to 35, will ideally have a banking qualification and must demonstrate technical competence in drawing up loan agreements for UK companies as well as the capacity to submit considered applications for internal bank approval. A knowledge of ECGD and import/export financing procedures will be an advantage as will some facility in Spanish. Salary will be negotiable around £13,000 depending on experience together with a benefits package normally associated with banking. Location: City. *Ref: AA51/7587/FT. Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.*

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

A member of PA International

Godsell (L.D.A.)

Young, Experienced Interbank Broker

We require an experienced broker in connection with the future expansion of our interbank dealing room.

The successful applicant will be joining a well established team and will have every opportunity of contributing towards the further development of the department.

This position offers an attractive salary with benefits.

Please telephone or write to:
The Managing Director, Godsell (L.D.A.) Limited,
2-12 Wilson Street, London EC2M 2TE Telephone: 01-377 8577

Financial Accountant

LUTON

We are the successful UK subsidiary of a large Scandinavian Group, marketing ethical pharmaceuticals.

We require a qualified Chartered Accountant, with current commercial and taxation experience, to take full responsibility for our Accounts Department in Luton. Duties include control of the financial performance of the Company, together with the preparation and control of budgets. The postholder reports directly to the Managing Director.

The ideal candidate, aged 30-35, must be experienced in communicating with all levels of management and handling staff.

Salary will be circa £12,000 and benefits include free BUPA, life assurance, personal accident and long-term sickness insurance, pension scheme and four-week annual holiday.

Apply in confidence, briefly outlining career to date, to: Mrs. E. Ledster, Lundbeck Limited, Lundbeck House, Hastings Street, Luton, Beds., quoting reference FT.02, or telephone Luton (0582) 416565.

Managing Director

c.£19,000

- Our client is a major British company operating internationally, manufacturing and marketing a wide range of products and services both consumer and industrial.
- Within a division which has grown significantly in recent years, they wish to appoint a Managing Director who is capable of planning, developing and directing a policy for even greater profitable growth.
- To have the maturity and judgement to lead the company into further growth, the successful candidate, preferably aged 35 to 45, should *have experience of the holiday industry, at board or just below board* level, and be able to demonstrate a successful record of profitable business development.

An excellent benefits package is offered, together with relocation expenses where appropriate. Location—Home Counties.

For further information, please write or telephone in strictest confidence to Terry I. Jones, Grosvenor Stewart Limited, *Hamilton House, 15 Tilehouse Street, Hitchin, Herts SG5 2DU. Tel: (0462) 55303 (24 hour answering service).*

GROSVENOR STEWART
Executive Search and Selection

David Grove Associates
Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-236 0640

ASSOCIATE DIRECTOR, SYNDICATIONS

The Merchant banking arm of a leading North American Bank requires an individual to take responsibility for the company's medium-term lending activities.

The successful applicant will be a specialist in international syndicated loans, with a proven record of negotiating and maintaining contacts at high level.

Candidates should have 2/3 years in a similar position; University degree and fluency in a European language are added advantages. Based in London, with frequent travel this new appointment offers a challenging career opportunity with the group.

Remuneration package is competitive and offers attractive fringe benefits.

PLEASE CONTACT NORMA GIVEN ON 01-236 1962.

We are also seeking a Senior Marketing Officer with strong credit skills and fluency in German. Salary from £16,000 + excellent benefits.

COMMODITY BROKERS

Require Executive for international client business. Fluent in German, Swiss/German, English and French. At least two years' experience, particularly Swiss/German markets. Age 25-30. Single. Prepared to travel.

Write with cv to Box A7418 Financial Times 10 Cannon Street, EC4P 4BY.

Foreign Exchange Brokers

Guy Butler (International) Limited, international money brokers require experienced Foreign Exchange Brokers for their London and overseas offices.

Applicants should have a successful track record and be fully conversant with all aspects of the Foreign Exchange Markets either in London or in an overseas financial centre.

An excellent remuneration package is offered together with first class benefits.

For further information please apply, in the strictest confidence, in writing, to:
The Managing Director, Guy Butler (International) Limited, Adelaide House, London Bridge, London EC4R 9HN.

BUTLERS

Guy Butler (International) Limited

A Member of the Sime Darby Group.

CHARTERHOUSE APPOINTMENTS
Europe House
World Trade Centre
London E1 9AA

INSTITUTIONAL SALES
Major Broking Company requires an executive with specialist knowledge of Financial Accounts. Minimum 3 years' experience. Tenable contacts useful. c.£20,000.

NEW ISSUES EXECUTIVE
for American House, with 2/3 years' dealing experience on the Primary Market, with knowledge of groups of Managers, how deals are structured, etc. c.£18,000.

FX SETTLEMENTS SUPERVISOR
for International bank to head up the Foreign Exchange Settlements Section. Age 30-36 £10,000 basic.

OVERSEAS RESEARCH CO-ORDINATOR
for Managed Fund Department of major stockbrokers to collect, collate and analyse data and liaise with UK and overseas brokers. The appointee will be expected to act on his/her own initiative. c.£8,500 basic.

GILT EDGE SALES
UK stockbrokers require additional persons to complement their existing Gilt Edge Sales Department. 3-5 years' experience preferred. Age 23-31. £ neg.

Please contact David Lubbock on the number below (or 01-222 8730 Evenings/Weekends)

01-481 3188

LIBRA BANK LIMITED

FINANCIAL ACCOUNTING

An established international consortium bank specialising in Latin America and the Caribbean is seeking to recruit an experienced bank accounting specialist.

This position calls for all-round experience of international bank accounting, together with proven leadership qualities, as it carries a responsibility for the training and development of staff.

The position is concerned with the supervision of the preparation and critical review of financial and statistical reports on all aspects of the Bank's operations, both present and future.

A five-figure salary, dependent upon level of experience, is offered and our benefits package includes subsidised house purchase scheme, non-contributory pension fund and free life and medical insurance cover.

Please apply initially, in confidence, to:

The Personnel Department
LIBRA BANK LIMITED
Bastion House, 140 London Wall
London EC2Y 5DN

Telephone: 01-600 1700 until 8.30 p.m. this evening or during normal office hours

ACCOUNTING OPPORTUNITY

SEVENOAKS c£11,000 + ASSISTED MORTGAGE

Swiss Life Insurance and Pension Company UK branch of a major insurance group wish to appoint a deputy to the head of UK Financial Accounting in Sevenoaks, Kent.

Applications are invited from qualified accountants aged under 32 who have obtained a sound knowledge of financial accounting in either an insurance or commercial organisation. Experience of staff control and computerised accounting systems would be relevant.

Enthusiasm and a desire to contribute to an expanding organisation allied to an ability to mix at all levels is considered essential.

Applicants, male or female, should write in confidence to:

J. W. Manaton, UK Manager
Swiss Life Insurance & Pension Co.
99/101 London Road
Sevenoaks, Kent TN13 1AX

PERSONNEL ORIENTATED?

BANKING CONSULTANT, E.C.2

Do you have personnel/recruiting experience and a thorough grasp of banking operations? Due to expansion we are currently looking for 1 or 2 consultants, age range 28-60, to handle the most senior levels of recruitment for the banking arm of our small group of specialist consultancies. Salary package in excess of £10,000 plus profit-sharing and benefits.

Call Lyn Cecil on 01-283 9953 for more information

ACCOUNTANT—MERCHANT BANK

A P Bank seeks a young, qualified accountant, preferably with banking experience, to join its accounting team. The successful applicant will be involved in the preparation of internal and external financial reports, management information and special investigations.

Initial salary will be according to qualifications and experience, and the appointment will carry the customary other benefits.

Please write in confidence with full c.v. to:

Mr. A. R. Merchant,
AP BANK LIMITED
21 Great Winchester Street,
London EC2N 2HH.

BANK LEUMI (U.K.) LIMITED

Expanding UK subsidiary of major International Banking Group—opening a new Branch in the near future—has the following vacancies:

JUNIOR CREDIT ANALYST and/or
CHARGED SECURITIES CLERK
O. & M. ANALYST
GRADUATES (in Maths, Statistics or Economics)

Write with your c.v. to: Mrs. Sharon Bandelman, Personnel Department, Bank Leumi (UK) Ltd., 4-7 Woodstock Street, London, W1.

INTERNATIONAL BANKING OPPORTUNITIES

£5,000—£8,000

Our Clients' more urgent current requirements occur, at various levels, *principally in the fields of*

ACCOUNTING/AUDITING
EUROBONDS/FOREIGN EXCHANGE
LOANS ADMINISTRATION

However, the pattern changes constantly and very quickly, with new opportunities arising all the time . . . but the best ones remaining "on the market" for only a very short time.

To discuss your own particular career objectives, and to place yourself in a position to follow them up effectively, please telephone Ann Costello or John Chiverton A.I.B.

JOHN CHIVERTON ASSOCIATES LTD.
31, Southampton Row, London, W.C.1.
01-242 5841

LOMBARD

Transatlantic comparisons

BY PETER RIDDELL

A TRIUMPHANT new right-wing administration rushes to produce a Budget within a month of coming to power. The proposals are intended to reverse a generation of economic decline by rolling back the public sector and by stimulating enterprise. They include wide-ranging cuts in the previous administration's public spending plans (though additional expenditure on defence) coupled with reductions of a tenth in income tax rates.

All this sounds very familiar, and any British visitor to Washington is irresistibly reminded of the mood in London at the time of the June, 1979, Budget. Yet on closer inspection the differences are possibly more significant than the similarities.

Pendulum

There has recently been a conscious attempt by supporters and members of the Reagan administration to distance its economic policies from the Thatcher experiment. Mr. George Gilder, one of the main apoligists of the New Right, has warned of the "cautionary tale" of Mrs. Thatcher, who has "failed to combine her reduction in basic monetary growth rates with a reduction in government taxing and spending."

The pendulum has swung a long way since before last November's elections when Mrs. Thatcher was held up as an example to be followed. Just as the earlier praise was exaggerated so the current criticisms underestimate what Mrs. Thatcher has attempted. The cuts in income tax and in public spending in the June, 1979, Budget were generally regarded as bold at the time.

Yet in some respects the Reaganites are right to believe that the U.S. approach is different. Supply side economics, which is all the rage in Washington along with jelly-babies has never really caught on in London. Despite the campaign rhetoric of spring, 1979, there has not been a widespread acceptance in the UK that large-scale tax cuts will stimulate the output or supply side of the economy sufficiently rapidly to boost tax revenue and so offset any initial rise in public borrowing.

Mr. Nigel Lawson has described this proposition as "simply too good to be true." In the UK ministers believe tax cuts should accompany, rather than anticipate, reduced public spending and should not boost borrowing. Ever since November, 1979, fiscal and monetary orthodoxy — or at least the search for it — has had priority over supply side theories, and the tax burden has risen.

There are obviously differences of emphasis within the Reagan team, but the supply siders have a much greater say in the U.S. than they have ever had in the UK. In Washington there is now a sense of adventure and change which never really existed in London in the summer of 1979. The eager zealots coming in from the conservative foundations and publications to create their brave new world had no parallel in Britain two years ago. The contrast is highlighted by the comparison between the two public spending cutters—the energetic and evidently brash Mr. David Stockman and the ineffective Mr. John Biffen.

One reason for these differences is that while Mr. Reagan's philosophy is clearly dominant in his administration Thatcherism has always been a minority belief in the Tory Government. The Reagan approach is also associated with a conservative stance on moral questions such as abortion. Mrs. Thatcher may share these views but they are not Government policy.

No panacea

There are implications for both countries. The U.S. critics may be right to believe that the present version of Thatcherism may not transform Britain into a dynamic economy of thrusting entrepreneurs: But that was probably never likely, and the British people have never perhaps been prepared to accept the necessary upheavals. For the U.S. the lesson of the British experience is that inflation cannot be reduced painlessly and that supply side economics in its crude form is no panacea. In time U.S. voters may come to have a greater appreciation of President Carter's efforts.

When a company may be criminally liable

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

THERE IS no doubt that a company can be convicted for a criminal offence, though not for every criminal offence. It stands to reason that it cannot be convicted for bigamy because marriages blessed by merchant bankers are not made in heaven and bigamy, or even polygamy, may in certain circumstances be required by the Monopolies and Mergers Commission.

Much more practical, in view of the recent U.S. prosecution of the Ford company for homicide, is the rule of English law that companies can be convicted only for offences punishable by fines, as it would be rather difficult to put them in prison.

Finally, there is a bit for those fond of legal niceties: companies cannot be guilty of conspiracy with their own directors because they and their directors are considered one, at least for this purpose.

I apologise for this textbook stuff, but it was necessary to introduce the real problem which was solved by Lord Justice Donaldson and Mr. Justice Forbes when dealing with the appeals* of two somewhat careless insurance companies and one of their directors from decisions of the Maidenhead justices.

The main issue before them was whether a company is criminally liable for the activities of its directors when these directors have acted in defiance of the agreed company policy and of their own undertakings. The second issue concerned the question as to what is an "investment" in the meaning of the Insurance Companies Act 1974, and in particular whether this term embraces an interest-free loan, for which no other benefit is promised contractually.

The two insurance companies concerned were the Growth and Secured Life Assurance Company (Growth) and the National Investors Life Assurance Company (NILAC), and the director in day-today control of the activities of both was Mr. Christopher D. Reynolds. The offences under the Insurance Companies Act 1974, for which the two insurance companies and Mr. Reynolds were convicted, arose out of interest-free and unsecured loans by Growth and NILAC to Gilgate Securities, an associated property company, which had liquidity problems from time-to-time.

In other proceedings before the Vice-Chancellor, Sir Robert Megarry, the Department of Trade has asked for the disqualification of Mr. Reynolds and of two other Gilgate directors. This would prohibit them from taking part in the management of any company because of their persistent breaches of company law.

The loans granted to Gilgate came to the notice of the Department of Trade, which gave the two companies directions prohibiting them from making any investment in the form of a loan to a "connected person." The Department of Trade also prescribed certain returns which the companies should make at specified dates.

In 1977 the DoT learned that there had been breaches of the duties placed by them upon the companies. They had a meeting with the directors, including Mr. Reynolds, and received from them assurances that these breaches would not be repeated.

Subsequently, there was another private meeting at which Mr. Reynolds gave assurances to his fellow directors that there would be no repetition of such conduct. However, except for receiving these assurances, the other directors had done nothing to ensure that the prohibited transactions did not recur. The directors of Growth allowed Mr. Reynolds to remain as the single signatory of their bank account, and a fellow director of NILAC left open signed cheques in his possession.

In this way Mr. Reynolds was not only left in the day-to-day control of the finances of the two companies, but was enabled to continue making the prohibited loans without the knowledge of his fellow directors. The loans were disguised in quarterly returns by means of cross-checking, and there were other false entries in the accounts.

The Maidenhead justices concluded that the loans were "investments" because the intention was to provide an advantage to the two companies by keeping Gilgate Securities solvent, that the quarterly returns were manipulated to conceal these loans, and that these transactions were acts of the companies because Mr. Reynolds was allowed by his fellow directors to retain control without supervision.

These three principal points were attacked by the appellants and, though the second—concerning the quarterly returns—was merely a question of fact, the other two points provided the divisional court with interesting legal problems.

The appellants tried to show that a loan which brings no interest and no other contractual advantage cannot be an investment. It was an attempt to get out of the difficulty by means of a literal interpretation of the Insurance Act and of the directions made by the Department of Trade.

However, Lord Justice Donaldson held that the word must be understood in the context of insurance company legislation designed to protect the policy holders. He would not believe that Parliament ever intended that such fine distinctions, as invoked by the appellants, could exempt a company from making a return of what it was doing with part of its assets. He agreed with the justices that the interest-free loans were an "investment."

The appellants' second important point was that a company could not be held liable for activities of one of its directors if these activities were contrary to the agreed company policy which the director expressly promised to observe.

There was no doubt in the judges' mind that the company was responsible in such circumstances. Any agreement between the members of the board that something should not happen was not a limitation on the authority of any of them. It was merely the equivalent of a natural person making up his mind not to do something and saying to himself "I will not do it," but doing it afterwards just the same.

Both judges agreed that Mr. Reynolds did not defraud any of his companies, and that the case, therefore, did not come under the much criticised decision of Moore v. Bresler,** where the company secretary tried to cover up that he defrauded the company by making false returns and the company was held liable for these returns. If the present case were somewhat similar, the judges could probably have been moved to allow an appeal. But as Mr. Reynolds merely acted against express company policy they thought that the liability of the company was quite clear and did not involve a point of law of public importance. And so the story ends.

* *High Court, London, Q.B. Divisional Court, C. D. Reynolds v. B. J. Welch and Growth and Secured Life Assurance Society and National Investors Life Assurance Company v. B. J. Welch. January 26, 1981, unreported.*

** *(1944) 2 All E.R. 515*

Racehorses of 1980 published

RACING

BY DOMINIC WIGAN

LAUNCHED IN good time for the new Flat season, Timeform's Racehorses of 1980 is, as expected, a mammoth work. It runs to half a million words, with 350 photographs and comprehensive essays on all the best horses.

Racehorses of 1980 is a unique publication which should make the new season more meaningful, enjoyable and, hopefully, more profitable. It is for the professional and keen amateur alike and is available, price £30, from Timeform, Halifax, West Yorks.

In spite of its formidable cost few who take the time for even a cursory examination will deny that it still represents the best value for money for anyone intending to take their racing seriously in the coming nine months.

Every one of the horses that ran under Jockey Club rules in 1980 is analysed by the Timeform team, with a summary of its pedigree, its racing career, its character and conformation, and its going and distance requirements. These details are rounded off with Timeform's ratings.

However, Racehorses of 1980, a work of reference, is much more besides. The lucid writing of Timeform's editorial team is one of the obvious qualities of the book. In the extended essays on the best horses the reader will find plenty of food for thought in the pertinent and topical asides.

Looking ahead to the Classics, Racehorses' team would appear to be undivided in the belief that Mr. Robert Sangster's Storm Bird is the one they will have to beat in the 2000 Guineas and Derby.

In the final paragraph of a predictably long, detailed and thought-provoking piece on the Irish champion, Racehorses' editorial team answer the rhetorical question: "How will Storm Bird compare with O'Brien's other Dewhurst winners as a three-year-old?"

It writes: "We will be very surprised and disappointed if he doesn't compare very favourably with Cellini, Try My Best and Monteverdi, and, in our opinion, he's a worthy favourite to emulate the victories of Nijinsky in the 2000 Guineas and of Nijinsky and The Minstrel in the Derby."

On the question of Marwell's ability to get the mile of the 1000 Guineas, Racehorses of 1980 is a shade more cautious than many might have expected.

SOUTHWELL
1.00—Compton Lad**
4.00—Come on Taffy
4.30—Wingetts*

TAUNTON
4.15—Karlinsky***

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.05 For Schools, Colleges. 12.42 pm Regional News for England (except London). 12.45 News. 1.00 Pebble Mill at One. 1.45 Bod. 2.00 You and Me. 2.15 For Schools, Colleges. 3.00 Claire Rayner's Casebook. 3.53 Regional News for England (except London). 3.55 Play School (as BBC 2 11.00 am). 4.20 Touché Turtle. 4.25 Jackanory. 4.40 Scooby and Scrappy Doo. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 The Perishers.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
7.55 Hi De Hi.
8.30 Partners.
9.00 News.
9.25 Malice Aforethought.
10.20 A Question of Life or Death.
11.50-11.55 News Headlines.

All Regions as BBC 1 except as follows:—

BBC Cymru/Wales—10.10-10.30 am I Ysgolion. 2.15-2.35 pm I Ysgolion: Ffenestri. 5.55-6.20 Heddiw. Wales Today. 6.55-7.20 Heddiw. 11.50 News Headlines, News and Weather for Wales.

Scotland—10.10-10.30 am For Schools (Around Scotland). 12.40-12.45 pm The Scottish News. 3.25-3.55 The Afternoon Show. 5.55-6.20 Reporting Scotland. 6.20-6.55 Glittering Prizes. 8.30-9.00 The Current Account Report. 11.50 News Headlines, News and Weather for Scotland.

Northern Ireland—11.30-11.50 am For Schools. 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.52 Amateur Boxing. 12.25 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds); Look North (Newcastle); Look North-West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth).

BBC 2

7.30-7.55 am Open University.
11.00 Play School.
4.30 pm Open University.
†5.40 Charlie Chaplin in "Work."
6.10 Maggie.
†6.35 Music-hall Greats: "Dreaming," starring Flanagan and Allen.
7.50 Mid-evening News.
8.00 Writers and Places.
8.30 Russell Harty.
9.00 The Little World of Don Camillo.
9.30 Man Alive.
10.20 The Mike Harding Show.
10.50 Newsnight.

LONDON

9.30 am Schools Programmes. 12.00 Gideon. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Together. 2.00 After Noon Plus. 2.45 The Racing Game. 3.45 In Loving Memory. 4.15 Dr. Snuggles. 4.20 Little House on the Prairie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Battlestar Galactica.
7.30 Bognor.
8.00 The Incredible Mr. Tanner.
8.30 TV Eye.
9.00 Hill Street Blues.
10.00 News.
10.30 Thames Report.
11.00 Camera: Moving Pictures.
11.30 Three's Company.
12.00 What the Papers Say.
12.15 am Close: "Sit Up and Listen" with Hugo Young.

All IBA Regions as London except at the following times:—

ANGLIA

9.30 am Jobline (guide to the work possibilities in East Anglia). 1.20 pm Anglia News. 4.20 Project UFO. 5.15 About Anglia. 6.20 Arena. 6.35 Crossroads. 7.00 Bygones. 10.30 The Cambridge Debate. 11.30 Kate Loves a Mystery. 12.25 am Christians in Action.

ATV

1.20 pm ATV News. 3.45 Leave It To Charlie. 4.20 Vic the Viking. 4.50 Little House on the Prairie. 5.15 ATV News. 6.15 Crossroads. 6.30 ATV Today. 7.00 Emmerdale Farm. 10.30 Focus. 11.30 ATV News. 11.35 Lou Grant.

BORDER

1.20 pm Border News. 4.20 Salvage 1. 5.15 The New Fred and Barney Show. 6.00 Lookaround Thursday. 6.35 Crossroads. 7.00 Emmerdale Farm. 10.30 Benson. 11.00 It's a Musical World. 11.50 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where, and Weather. 6.00 Channel Report. 6.35 Crossroads. 10.28 Channel Late News. 10.35 Unforgettable. 11.30 News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 4.20 Project UFO. 6.00 North Tonight. 6.35 Crossroads. 7.00 The Electric Theatre Show. 12.25 am North Headlines.

GRANADA

1.20 pm Granada Reports. 4.20 Movie Matinee: "Shinbone Alley." 6.00 Granada Reports. 6.25 This is Your Right. 6.30 Crossroads. 7.00 Emmerdale Farm. 10.30 Hanson. 11.30 What the Papers Say. 11.50 Paris.

HTV

1.20 pm HTV News. 5.10 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.30 Happy Days. 7.00 Emmerdale Farm. 10.28 HTV News. 10.35 Sonia. 11.20 SWAT.

HTV Cymru/Wales—As HTV West except: 12.00-12.10 pm Ownin A'r Olion. 4.20 Take a Chance. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena. 10.35-11.20 Impromptu.

SCOTTISH

1.20 pm News Headlines and Road and Weather Report. 3.45 Life Begins at Forty. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Action Line. 6.35 Talking Scots. 7.00 Emmerdale Farm. 10.35 In Concert. 11.30 Late Call. 11.40 Lou Grant.

SOUTHERN

1.20 pm Southern News. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 10.30 People Rule! 11.30 Father, Dear Father.

TYNE TEES

9.20 am The Good Word. 9.25 North-East News. 1.20 pm North-East News and Lookaround. 3.45 Father, Dear Father. 4.20 The Fantastic Four. 4.45 Tarzan. 6.00 North-East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 North-East Sport. 10.32 Northern Scene. 11.30 Soap. 12.00 Never the Same Again.

ULSTER

1.20 pm Lunchtime. 3.45 Life Begins at Forty. 4.13 Ulster News. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.30 Police Six. 7.00 Emmerdale Farm. 10.28 Ulster Weather. 10.30 Counterpoint. 11.30 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 6.00 Westward Diary. 6.35 Crossroads. 7.00 Westward Report. 10.32 Westward Late News. 10.35 Unforgettable. 11.30 News and Weather in French.

YORKSHIRE

1.20 pm Calendar News. 3.45 Country Calendar. 4.20 The Fantastic Four. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Crossroads. 7.00 Emmerdale Farm. 10.30 With a Little Help. 11.30 Unforgettable.

Radio Wavelengths

1	1053kHz/285m, 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo
2	693kHz/433m, 909kHz/330m & 88-91vhf stereo	4	200kHz/1500m & 92-95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

(S) Stereophonic broadcast
‡ Medium Wave

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.30 Dave Lee Travis. 4.30 Steve Wright. 7.00 Wheels with Dave Lee Travis. 8.00 Richard Skinner. 10.00-12.00 John Peel (S).

RADIO 2

5.00 am Bob Kilbey (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 David Hamilton (S). 2.00 pm Ed Stewart's Request Show (S). 4.00 Much More Music with David Symonds (S). 6.00 John Dunn (S). 8.00 Country Club with Wally Whyton (S). 9.55 Sports Desk. 10.00 A Very Private Man. 10.30 Star Sound Extra. 11.00 Brian Matthew with Round Midnight, including 12.00 News.

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composers.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Enterprise. 11.50 Poetry Please. 12.00 News. 12.02 pm You and Yours. 12.27 Brain of Britain 1981 (S).

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour.

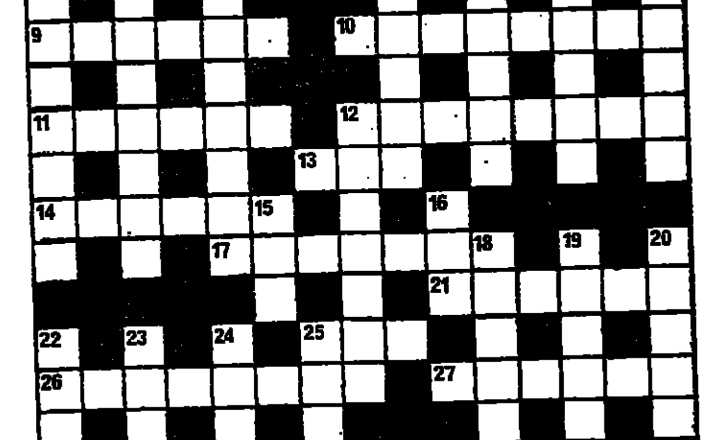
London Broadcasting

5.00 am AM—Bob Holness and Douglas Cameron.

Capital Radio

6.00 am Mike Smith's Breakfast Show.

F.T. CROSSWORD PUZZLE No. 4,499



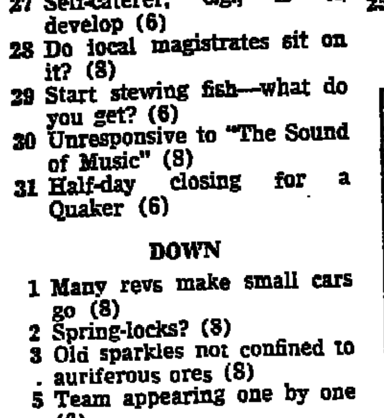
ACROSS

1 Motorway madness—an illusion of travellers (6)
4 Pop article in French newspaper (8)
9 Sister-firm admits one important messenger (6)
10 Having bearing—travel NE, perhaps (8)
11 Private greeting? (6)
12 Capital increase in business, useful to yachtsman (4-4)
13 Fifth of November and no old penny for the guy! (3)
14 Still part of a witty answer (6)
17 Main passage? (3-4)
21 Gift of old money (6)
25 Not many brave fliers (3)
26 Composer of "Tea-rose"? (8)
27 Self-caterer, e.g., is to develop (6)
28 Do local magistrates sit on it? (8)
29 Start stewing fish—what do you get? (6)
30 Unresponsive to "The Sound of Music" (8)
31 Half-day closing for a Quaker (6)

DOWN

1 Many revs make small cars go (8)
2 Spring-locks? (8)
3 Old sparklers not confined to auriferous ores (8)
5 Team appearing one by one (6)
6 Five in wild rodeo go too far (6)
7 Flower for a lady-bower (6)
8 Given "Tom Bowling" part in Bury (6)
12 This jet arrived in yesterday from France (7)
15 Driver's aid almost empty (3)
16 Small strike in sympathy? (3)
18 She has a father in the changing of the guard (8)
19 Trust providing credit (8)
20 Ted's itch troublesome—treated in hospital (8)
22 Jam and butter thinly-spread (6)
23 Welshman chewing the rag (6)
24 Yellow wood used in Test (6)
25 Receivers of challenges at Aintree (6)

Solution to Puzzle No. 4,498



ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CINEMAS

CLUBS

ART GALLERIES

EXHIBITIONS

THE ARTS

The new Grove—the gaffes and the glories

by DAVID MURRAY

The New Grove Dictionary of Music and Musicians edited by Stanley Sadie. Macmillan. £850. 20 volumes, each of almost 900 pages.

This is the sixth edition of Grove's Dictionary (hereafter "Grove 6"). It is, as promised, monumental; and handsomely bound. The scope of the work is unprecedented, far outreaching the earlier Groves; by reason of its scale it leaves the musical amateur behind—much further behind than some will have foreseen—and addresses itself primarily to academics. Not that the (wealthy) amateur won't find endless instruction and enlightenment in *Grove 6*; still, it is not really designed for him, but for institutions.

Why that has come about is obvious. There are plenty of shorter musical encyclopaedias that cater nicely for the amateur; to aspire to the authority of the old Groves, the new one had to call upon far more wide-ranging and costly expertise. Musicology has become a growth industry, and especially the musicology of ascertainable facts. The resources needed for *Grove 6* could be insured only by a degree of comprehensiveness, backed by solid academic credentials, that would sell it to music libraries all over the English-speaking world. The new Editor has fulfilled his brief with éclat.

The proportions of the new Grove are, therefore, not just grander, but much altered. "Dictionary of music and musicians" used to imply a simple division of material: on the one hand a catalogue raisonné of technical terms—names of forms and genres, performing directions, the terminology of music theory—and on the other, biographical and critical notes on composers and on notable performers. *Grove 6* is vastly more ramified. The ethnomusicological studies of folk and non-Western music alone would add up to a whole volume; for national "art music" there are articles on its history in every country you can think of, and separate entries detailing public musical life in a great many towns and cities—almost another volume. (North American cities, of which few boast musical histories of interest to anyone but their citizens, are very generously represented.) There are colossal bibliographies and lists of "reference material," much of it in academic journals: another half-volume's worth. The article on *Periodicals* itself occupies 20 pages, and is completed by an index that runs to more than 100 pages; the entry for *Libraries* matches that.

Local and academic-historical interests are lavishly served by biographies of many, many organists, choirmasters and pedagogues (who were frequently the same people)—above all in Britain, though the Canadian contingent is notably large. *Grove 6* is obsessive here as elsewhere about listing their prizes, scholarships, chairs and state awards; birth and death dates are always given in full, which will please astrologers. It is only natural that musicologists (mostly live ones, many of them Grove contributors) should get equal treatment, each with a bibliography to fill out his *curriculum vitae*. There are even some critics.

There has been much insistence on a reduction of "British bias" in the new Grove. It is not clear why a British encyclopaedia should not reflect a British point of view, nor indeed how it could fail to. Certainly the list of non-British collaborators is enormous; but in fact on the topics that musical amateurs are likeliest to follow up—roughly, those more or less directly related to the current performing repertoire—British contributors preponderate. The space allotted to Bliss, Bax and Sir Arthur Sullivan is relatively larger than they would get in foreign encyclopaedias — and why not? Among opera singers of less than the first rank, many a British artist has been included where Jacques Jansen, Otto Wiener, Andrée Esposito, Bruno Prevedi, Fritz Uhl, Ursula Böse, Ilona Steingruber, Jean Giraudeau (to name but a few), and Mario Lanza have been omitted.

I don't complain about that, and where "historical" singers are concerned—both those who flourished before the gramophone and those since—*Grove 6* is rich in concise, judicious entries. Leading singers of more recent times are well described. Lesser singers and newer ones are awarded entries to a formula: a bald sketch of the career, with a list of the principal roles taken (the longest portion of the entry); is rounded off with a sentence or two of critical assessment. This last bit, far more often than not, is based upon the artist's appearances at Covent Garden and/or Glyndebourne (and on recordings, where there are any); that accounts for many omissions and for some arguably partial assessments that have been determined by the whims of Royal Opera casting. (Singers with chiefly American-based careers have been written up by another hand, and some who are associated with their national repertoires—especially East European and Russia—are described by compatriots.)

The treatment of instrumental performers is analogous. There is room for one sweeping complaint, sharpest with respect to past singers: namely, that *Grove 6* hardly recognises the existence of the gramophone, beyond the technical aspects. Where performers and performance are in question, bibliographical data ought to weigh less than audible evidence; about the latter, *Grove 6* offers precious little guidance, and only randomly. That is a pity.

Here we come to a fundamental difficulty. Music is not a theoretical art (probably there is no such thing, unless it be philosophy), but an art about which there are theories. All such theories are speculative. Some aim to explain why we are charmed, intrigued or moved by music: these are aesthetical. Others strive to capture the rules or principles of musical practice; they commonly aspire to be prescriptive, to lay down standards of competence, but notoriously they tend to amount to descriptions of the practice of the last-generation-but-one. (When a musical style can be codified, it's already dead.) *Grove 6* is aware of all that, and its theoretical pretensions are accordingly trimmed: it tells us how music was produced at this time and that—what the rules seem to have been. The nearer we approach our own time, the more cautious, neutrally "objective" and sketchy the articles become.

Grove 6 therefore represents a spectrum. At one end, it covers the production of music which is absolutely finished—medieval and Renaissance: ripe for academic analysis, in terms which will defeat the amateur. The reader who is daunted by the articles on sundry ecclesiastical forms, and by the 73-odd excellent pages on *Mode* (including non-Western scales), may turn hopefully to the general *Medieval* piece (distinct from *Medieval drama*, another 37 pages) to find:

"Following generations indulged mainly in a kind of decorative remodelling of the established repertory of organa, providing them with new, interchangeable clausulas (whereby they showed a persisting concern with rhythm, a clausula being the section of an organum where the tenor, temporarily engaged in a melisma, took part in the rhythmic interplay with the other parts), or else enriching the clausulas with verbal tropes which opened the way to the medieval motet."

At the other end of the spectrum we have the notes on contemporary composers. *Grove 6* casts its net wide. Composers who have achieved solid Anglo-American recognition are generously treated: *Carter, Elliott* is lucidly expounded (though his "metrical modulation" is under-described), and *Barber, Samuel* is absurdly said to hold "a position within his era somewhat similar to that of Brahms in his". We learn that the interest of *Tabachnik, Michel* "is not so much in moving sounds through space as in distinguishing 'modulating' from 'modulated' sonorities, these terms being understood to apply to rhythm, density, register or duration"—no further explanation. To *Bialas, Günter* is attributed "total mastery"; and you would hardly guess from the glowing entry for *Willan, Healey* (more than 2 pages) that what he composed was just useful post-Edwardian church music.

Grove 6 leans so far backward to accommodate the chaos of modern music that it often staggers. There is extremely astute discussion of some modern endeavours, and naive raptures over some contributors' fellow-nationals, and cautious paraphrases of composers' own claims about what they are doing. The reader must decide which is which, and can only guess about the reliability of Grove's army of writers. (In fact, the note on *Ferneyhough, Brian*, which calls him "one of the most significant composers of his generation in Europe," is unsigned.) One sympathises with the editorial problems; probably they were irresoluble.

For all that, *Grove 6* has its glories. For my money they include all the articles on wind-instruments, and many on technical labels, and most of the ones on major composers. All the latter boast complete work-lists for their subjects; so do the pieces on un-prolific modern composers (of whom there are many) and on composers so ancient and unlucky that only a fraction of their output has survived. The vagaries of the publishing trade have brought it about that most of the pieces on current composers are already eight or nine years out of date (Berio, David Blake, Peter Maxwell Davies), though their work-lists have been carried through 1980. (The role-calls for singers have been no less assiduously updated.) Major composers have the advantage of being dead: I mention at random the confidently rounded study of *Mendelssohn*, the fresh insights of the *Stravinsky* piece and the brilliantly popularised study of *Verdi*, in which not one sentence presupposes any conservatory training on the part of the reader. By contrast *Berg*, though authoritative, will be quite opaque to the layman. It need not have been so.

For *Bach*—the whole family—there are more than 100 pages, exclusive of *Bach Revival*; the magisterial text of *Beethoven* takes 40, with half as many pages again for works and bibliography. The Editor himself does *Mozart* in almost 45 pages, excellently thoughtful and balanced. (If perhaps under-edited: when he writes that Mozart "offset" the clarinet in the Concerto by the orchestral scoring, he doesn't really mean that deficiencies in the solo instrument were being compensated for—and can he mean to imply that "Mi tradì," added to *Don Giovanni* for *Donna Elvira*, doesn't "strengthen the characterisation"?) Below the sublime heights, other great composers get about 23 pages each—sensibly, a uniform plan hasn't been enforced—and their lesser brethren receive attention in proportion. The illuminating study of *Ravel* takes the same space as *Prokofiev*, a good biography which has almost nothing to say about the music.

Between *Mussio* and *Mustafà* there is no Mussorgsky to be found, nor is there an entry for Schönberg. That is because Grove 6 prefers "Schoenberg" and "Musorgsky." It has a high-handed way with transliteration from Russian, and some rejected familiar forms are not even cross-referenced. Poor Medtner, whose family was originally German, is disguised as *Metner*, and the choreographer Balanchine is dubbed *Balanchin* without a by-your-leave. Unlike this newspaper, Grove 6 hasn't the courage of its convictions about "Tchaikovsky" (Chaikovsky). I was meanly pleased to find "Moiseiwitsch" in *Piano playing* (a scrappy piece, far inferior to the matching studies for other instruments), and "Moiseivich" in *Leschetizky*.

For a 20-volume work, the cross-referencing is unbelievably patchy. "Trill" and "shake" are not indexed (they are found under *Ornaments*). If you want to know about bells in serious music, you will find only campanology under *Bells*, not keyed to what you need, which is *Tubular bells*. No clue is attached to the short, sceptical piece on *Music theatre* that would guide readers to a more sympathetic note (same title) under *Opera VI*. If "sul tasto" in a violin piece puzzles you, *Tasto* directs you to "Sul tasto": there is no such entry—the information is under *Sulla tastiera*, 10 pages earlier. Proper names aren't cross-referenced at all: to discover whether someone mentioned in one context is discussed anywhere else, you must hunt blind.

Every musical form and genre is elaborately discussed, often at mini-textbook length, and usually with a wealth of instances. Confidence decreases noticeably as the 19th and 20th centuries loom up: *Symphony* crumbles eventually into individual programme-notes, *Toccata* ignores the defining marks of the modern toccata (repeated notes and figures). Scandalously, *Mélodie* invokes Rivier, Migot and Auric but forgets Ravel—was a page of typescript lost? *Melodrama* (dramatic speech over music) mentions Act 2 of *Traviata*—Act 4 must be meant—and scamps Stravinsky and Schönberg. The entry for the hymn *Veni creator spiritus* misses out Mahler's great setting. Inevitably, there is an enormous amount of overlap and repetition.

There are friendly gestures toward popular music, but casual. *Starr, Ringo* is an "English pop singer": the "main importance" of *Berry, Chuck* is "as a songwriter": The Who's *Tommy* is identified without qualification as a "rock opera"; Eric Clapton is excluded. Jazz is better done. Serious analysis is reserved for serious music, and then it can be serious with a vengeance—the definitions of many technical terms are so painfully exact that considerable musical education is required to understand them.

The Editor will be wearily resigned to niggles. Comprehensiveness, not infallibility, is the object of *Grove 6*. Virtually everything that could be expected is there (if only you can discover where to find it)—though not, curiously, anything about pronunciation: Dukas, Saint-Saëns and Fibich remain phonetic mysteries. The quantity of information is staggering. More than that, the quality of very many individual studies is of the first order; in them the Grove standard is superbly maintained. *Grove 6* is unparalleled and invaluable: I wish I could afford it.

Productions of a Post House, watercolour, c1810 by Thomas Rowlandson

Leger Galleries

Thomas Rowlandson

Few players on the stage of life at the turn of the eighteenth and nineteenth centuries in England escaped the critical scrutiny of Thomas Rowlandson (1756-1827). The sharpness of his eye and dexterity of his hand is well displayed in the collection of over 60 watercolour drawings for sale at the Leger Galleries in Old Bond Street until February 27.

They demonstrate that his talents reached well beyond that of the popular cartoonist he appears to be from the crude prints published after his work in the nineteenth century. His lively line and subtle colouring captures not only the familiar targets of old men leering at pretty girls, illicit lovers discovered, or drunken youths losing their watches (among other things) to canny wenches, but also the variety of rural life. Its pleasures—hare coursing, strolling players, the convivial inn—the plain everyday existence in the villages of Devon or Cornwall or the market at Cardiff, are subjects for his wit.

No foible or quirk of man (or beast) eludes him, be it the determination of a fat dowager to squeeze into her corset, the dedication of an artist at his work (a corpulent, nude, female model), a gullible youth on his travels with his tutor or "bear leader," a fracas between doctors, a dog hoping for scraps, or a broken down hack beneath a sign advertising "able horses." His sarcasm is pungent but seldom vicious and always funny. A man very much of his time, Rowlandson was able to stand back and survey the prevailing fashions. His gothic abbeys and rustic cottages rest firmly in the picturesque tradition, but his Dr. Syntax series lampoons the craze that was the "ton" of the age.

The proceeds from the sale of the catalogues to the exhibition will go towards the appeal being launched by the Abbot Hall Art Gallery, Kendal, for more space to display their fine collections.

BRIONY LLEWELLYN

Theatre du Chatelet, Paris

Le Cid

by ELIZABETH FORBES

Massenet's more intimate, lyrical operas, headed of course, by *Manon* and *Werther*, have gained enormously in popularity of recent years: his grander, public music dramas still mostly languish unperformed in the theatre, though some turn up in the recording studio or on the concert platform. *Le Cid*, first produced at the Paris Opéra in 1885, is one of the latter rediscoveries. A concert performance in New York led to a recording, proving that the score has many passages of vintage Massenet, while the libretto, based on Corneille's tragedy, is as viable as most other grand-opera texts of the period.

The title role of Rodrigue, created by Jean de Reszke, was sung in New York by Placido Domingo, who sang it again at another concert performance last Sunday in Paris. The Spanish tenor is reported as wishing urgently to play Le Cid on stage. One understands perfectly why: the part offers splendid dramatic opportunities, while the music lies particularly well for Domingo's voice. On Sunday, despite a heavy cold, he proved a most convincing advocate for the Spanish hero who sees conflicts between love and duty — he kills his beloved's father to avenge the honour of his own aged parent —provide the essence of the drama.

In the declamatory, public music, his voice acquired an appropriately heroic ring, while in the love duet with Chimène and the prayer, "O Couverain, O Juge, O Père" the honeyed tone was as smoothly produced as ever. Best sung of all was the scene between Rodrigue and his father, Don Diègue, whose vocal line was nobly phrased by the bass, Paul Plishka. Here Massenet, too, achieves real grandeur, a quality lacking in some of the big ensembles, where the writing for the brass has a rhetorical extravagance that does not match the elevated sentiments of Corneille. Parental and filial love, on the other hand, are subjects well within the composer's emotional range.

Chimène was sung by Dunja Vejzovic, whose enormous, keenly projected voice effectively dominated the ensembles and carried conviction when calling for vengeance on the death of her father, but lacked tenderness in the expression of her love for Rodrigue. Jean-Philippe Lafont did well in the baritone role of the King, while Peggy Bouveret sang the Infanta's aria — another declaration of love for Rodrigue—with nice feeling. The Orchestre Colonne was conducted by Reynald Giovaninetti; with the players on stage he had problems of balance, but managed mostly to solve them, bringing excellent discipline to the martial moments while giving full rein to Massenet's inimitable melodic vein.

Festival Hall

ECO/Pollini

by DOMINIC GILL

Nowadays it seems there are comparatively few distinguished pianists of the postwar generation who do not instantly yearn, having proved themselves at the keyboard, to pick up a conductor's baton as well. The intermediate stage is a pair of Classical concertos, usually by Mozart, in which the pianist can do both at once, directing the proceedings from the keyboard. From there it is only a short step to slipping a divertimento or a symphony into the programme, and he can conduct the whole evening himself. Orchestras are more than pleased, since it saves them a conductor's fee; and audiences, familiar with the famous name, are pleased as well. The only drawback to this otherwise perfect scheme is that most conductors appear on the platform by virtue of their prowess as conductors; and pianists do not.

It is now Pollini's turn. On Tuesday he directed the English Chamber Orchestra from the keyboard in two Mozart concertos (K.449 and K.453, the lovely pair written for Barbara Ployer in 1784) and from the rostrum, Mozart's C major symphony K.338. The concerto performances both improved as they went, beginning dully, but ending, especially in the case of K.453, with marvellous assurance and style. I've no doubt that with a conductor they could both have warmed more quickly, and have achieved still closer focus; Pollini could have put the lid back on the piano, so that the sound would have carried properly in that enormous hall; and we could have seen more of him while he was playing than just his back.

Maybe that is an ungrateful response: for the best of Pollini's evening—his K.453 andante above all, sung so lithely and with such effortless ease—was very fine. But could not all of it easily have been so? His direction, of minimal expressive gesture and not particularly incisive, of the C major symphony was decent, agreeable, correct; but nothing in it bore the mark of a real conductor's stamp; we heard nothing which the ECO could not have—and indeed would not have—done excellently well, and better, by themselves.

New York Ballet

Dance Theatre of Harlem

It has been left to Dance Theatre of Harlem, of all the American major companies, to take note of the centenary of the birth of Mikhail Fokin with an important revival, namely *Schéhérazade*. (A rather more enterprising choice was made by the ballet company at Indiana University in Boomington which, under Nicolas Beriozoff's direction, has revived *L'Epreuve d'amour*.) On the face of it, *Schéhérazade* is an odd choice for Dance Theatre. The ballet's subject-matter might seem unsuitable for an all-black company—or almost all-black, for Dance Theatre now has (dare one say it?) a couple of token white dancers—though miscegenation can no longer be regarded as sensational, and that aspect of the ballet may therefore be safely ignored. More to the point, in other recent revivals *Schéhérazade* has looked dated, tacky, and choreographically jejune. Could Dance Theatre, in other words, succeed where Rudolf Nureyev and the London Festival Ballet had failed?

Against all odds, the company has pulled it off, by virtue of the sheer conviction of their performance. In box-office terms, the revival has been a smash-hit. It was staged by Frederic Franklin according to the version given for years by Ballets Russes de Monte Carlo (in which he used to dance the role of the Golden Slave), without the *pas de deux* of dubious provenance, to the third movement of Rimsky-Korsakov's symphonic suite, seen in the Festival version. The dancers, under Franklin's direction, are neither intimidated by the ballet's historical importance, nor, do they camp it up. They do not shirk the dramatic implications of a ballet like Balanchine's *The Four Temperaments*, and they obviously relish the opportunity to enact the juicy melodrama of *Schéhérazade*.

As Zobeide, Virginia Johnson, the company's reigning classic ballerina, was all icy allure—she has learned the power of stillness on stage. As the Golden Slave, Eddie Shellman was convincingly feline — only his orgasmic death throes were a little overdone, on opening night anyway. At that performance Franklin himself appeared as the Chief Eunuch, later to be replaced by Joseph Wyatt, who showed an unsuspected talent for characterisation. Lowell Smith as the gullible Shah Sharyar and Mel Tomlinson as his suspicious brother completed the cast of principals. The company was augmented for this occasion—the impressively muscular guards were presumably not dancers at all.

Seen from above, Fokin's floor patterns revealed themselves to be the strongest choregraphic element—the concentric circles of the orgy, the successive waves of laterally moving lines in the final massacre. Otherwise the material is often embarrassingly meagre—the prancing step with which the *almées* enter carrying baskets of fruit is repeated endlessly throughout the rest of the piece. Bakst's decor has been reproduced by Geoffrey Guy, as for Festival Ballet's production; it looks cramped on the stage of the City Center, and one misses the mysterious shadows of the background of the original design. The company commissioned new costumes from Carl Michell, on the dubious grounds that Bakst's originals were unsuitable for contemporary bodies. Zobeide's white, pearl-trimmed costume is an acceptable variation, but some of the others—for instance, the Golden Slave's sheer disco trousers—look rather sleazy.

DAVID VAUGHAN

Eddie Shellman in Schéhérazade

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100); retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1979							
3rd qtr.	112.7	103.2	101	106.6	149.6	1,269	247
4th qtr.	112.6	104.2	101	109.1	155.9	1,286	230
1980							
1st qtr.	110.0	100.1	100	110.2	158.6	1,379	193
2nd qtr.	106.6	96.8	94	109.2	164.3	1,492	160
3rd qtr.	102.7	93.3	84	108.9	170.3	1,695	120
4th qtr.	100.6	89.8		109.5	205.2	2,018	100
April	106.7	97.7	92	109.6	163.7	1,458	169
May	106.5	96.5	93	108.4	161.3	1,484	163
June	106.6	96.3	97	109.5	167.1	1,535	147
July	104.8	95.2	87	108.5	172.8	1,606	126
Aug.	102.3	93.0	91	109.6	167.6	1,696	120
Sept.	101.0	91.5	73	108.6	170.4	1,784	113
Oct.	100.8	90.6	76	109.7	179.1	1,892	100
Nov.	100.8	90.0		109.2	192.8	2,028	97
Dec.	100.2	88.9		108.4	236.0	2,028	97
1981							
Jan.					111.5	2,236	103

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output; metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1979							
3rd qtr.	105.6	96.4	132.5	95.0	105.1	100.2	21.0
4th qtr.	105.4	101.1	129.6	99.2	103.4	96.4	18.1
1980							
1st qtr.	104.6	100.9	123.4	98.8	56.4	92.2	12.3
2nd qtr.	98.2	96.2	123.2	93.2	93.7	85.6	16.0
3rd qtr.	97.0	94.7	117.3	91.3	78.0	82.8	12.4
4th qtr.	93.9	91.9	116.8	86.9	78.3	76.0	
April	99.0	97.0	122.0	94.0	89.0	88.0	15.0
May	97.0	96.0	124.0	93.0	99.0	84.0	16.7
June	98.0	95.0	124.0	93.0	94.0	85.0	16.4
July	99.0	96.0	121.0	93.0	81.0	85.0	13.6
Aug.	97.0	95.0	116.0	91.0	80.0	84.0	10.9
Sept.	95.0	94.0	114.0	90.0	73.0	79.0	12.7
Oct.	95.0	93.0	116.0	88.0	67.0	76.0	11.7
Nov.	94.0	92.0	118.0	87.0	74.0	77.0	10.9
Dec.	93.0	91.0	117.0	86.0	70.0	75.0	7.4

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1979							
3rd qtr.	129.9	132.5	−762	−210	−172	106.5	23.18
4th qtr.	129.8	132.6	−775	−579	−152	103.5	22.54
1980							
1st qtr.	132.1	126.9	−388	+541	− 95	101.0	24.87
2nd qtr.	126.1	126.2	−320	−122	+ 11	103.4	28.15
3rd qtr.	123.2	115.7	+616	+918	+157	105.5	28.08
4th qtr.	126.7	112.0	+1,286	+1,566	+222	105.6	27.50
May	129.8	120.8	− 1	+ 77	− 25	102.0	28.28
June	128.9	124.2	+ 15	+ 81	− 22	103.8	28.17
July	128.6	117.1	+303	+403	+ 98	104.3	28.27
Aug.	123.8	120.5	− 29	+ 72	+ 23	106.0	28.29
Sept.	121.9	114.8	+344	+445	+ 39	105.2	27.64
Oct.	124.3	106.5	+476	+576	+133	105.4	28.05
Nov.	129.6	114.9	+423	+523	+ 54	106.0	28.19
Dec.	125.8	114.7	+367	+467	+ 35	105.5	27.48
1981							
Jan.	123.9	100.9	+757	+957	+210	106.4	28.39

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1979							
3rd qtr.	12.0	11.2	13.2	+3,642	933	1,875	14
4th qtr.	14.4	13.6	22.6	+2,977	539	1,959	14
1980							
1st qtr.	− 4.0	7.2	21.9	+1,725	634	2,049	17
2nd qtr.	− 1.5	10.7	23.3	+3,219	697	1,964	17
3rd qtr.	14.4	39.1	45.3	+6,444	1,090	1,933	16
4th qtr.	8.4	21.0	11.2	+3,320	1,253	1,790	15
April	− 4.9	5.9	18.8	+ 701	266	682	17
May	− 4.0	12.6	21.3	+1,149	225	607	17
June	− 4.9	12.7	28.5	+1,369	206	675	17
July	11.7	36.5	50.8	+3,466	340	663	16
Aug.	11.2	40.8	46.4	+2,011	307	613	16
Sept.	20.3	39.8	23.7	+ 967	443	657	16
Oct.	6.2	34.0	19.0	+1,128	520	629	16
Nov.	8.0	19.6	7.7	+1,431	285	558	14
Dec.	10.9	19.5	7.0	+ 761	448	603	14
1981							
Jan.							14

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1979							
3rd qtr.	154.2	169.9	178.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	68.8
1980							
1st qtr.	167.7	197.2	191.4	248.8	247.5	284.47	72.4
2nd qtr.	178.9	201.3	199.0	263.2	255.9	267.45	73.8
3rd qtr.		201.9	203.6	268.9	259.2	275.13	75.6
4th qtr.		203.4	206.1	273.9	260.7	269.25	78.5
April	175.0	202.3	197.0	260.8	254.1	275.67	72.0
May	178.1	200.4	199.0	263.2	255.7	268.22	74.3
June	183.7	201.1	201.0	265.7	257.9	267.45	74.4
July	185.1	201.7	202.7	267.9	259.9	273.57	74.7
Aug.	186.5	201.8	203.5	268.5	259.0	275.38	76.2
Sept.	193.6	202.1	204.6	270.2	259.0	276.44	76.0
Oct.	189.9	201.4	205.3	271.9	259.3	274.65	79.2
Nov.	192.4	203.4	206.2	274.1	260.0	270.56	77.5
Dec.		205.3	206.8	275.6	262.7	262.53	78.7
1981							
Jan.		210.6	209.6	277.3	266.7	251.88	81.1

* Not seasonally adjusted.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000
Thursday February 19 1981

No nuclear answers

THE FIRST report from the Parliamentary Select Committee on Energy, a new committee created by the Conservative Government, reflects strongly the dislike and distrust of the electricity supply industry so apparent in its precursor, the Select Committee on Science and Technology. The particular target of the Energy Committee's ire is the Central Electricity Generating Board, which generates and transmits power to England and Wales.

Forecasts

Much of the damage was done in 1973, when the CEGB tried and failed to persuade the MPs that Britain must forthwith abandon its native designs of nuclear reactor and order the U.S. pressurised water reactor (PWR) in large numbers. The argument put forward for a crash programme of PWR construction—18 1,200-megawatt reactors followed quickly by another 18—have not been substantiated by the demand forecasts. Since 1973 the CEGB has ordered only two new base-load power stations, 3,200 MW, and will order no more before 1983 at the earliest.

So the MPs are justified in examining critically the Government's statement on nuclear power late in 1979. In particular, they have examined the assertion that "the electricity supply industry have advised that even on cautious assumptions they would need to order at least one new nuclear power station a year in the decade from 1982, or a programme of the order of 15,000 MW over 10 years." As they point out, such a programme would be Britain's biggest single public-sector investment, of the order of £15bn.

The Select Committee concludes that the electricity industry is still over-estimating growth in demand in its eagerness to increase its nuclear capacity. It does not think that GDP will grow at the average rate of 2.5 per cent to the end of the century, as the industry assumes. It is confident that ways will be found of saving much more energy. It believes that private industry will generate more of its own electricity in future, with the promised relaxation of present legal constraints. It urges the CEGB to make its plant more reliable and reduce its "planning margin," currently an extra 28 per cent of capacity.

Although the MPs "do not think it unreasonable, over the period to 2000, to plan to install a modest programme of nuclear plant," they are sceptical whether this should be as high as 15,000 MW.

Ironically, on the question of reactor choice, over which Britain has agonised since 1964, the MPs this time show less antipathy towards the CEGB's preference, the U.S.-designed PWRs, than they do for the UK-designed advanced gas-cooled reactor (AGR). Their precursor committee rejected both, recommending the hapless steam-generating heavy water reactor (SGHWR), abandoned by the government in 1978. Unhelpfully, they now urge the government to consider Candu—a more primitive Canadian version of the pressure-tube reactor from which Britain developed its SGHWR—in case the public inquiry should reject the British PWR.

High costs

The committee is on stronger ground when it criticises the high costs of building nuclear power stations in the UK compared with other countries. Why has the CEGB accepted that a PWR will cost one-third more to build in the UK than elsewhere? There are legitimate questions to be raised about the CEGB's internal efficiency and about its handling of large projects.

It is also questionable whether, even on the programme outlined by the Government last year, let alone the smaller programme suggested by the committee, a fully-fledged nuclear industry building PWRs would be viable in the UK; substantial imports of equipment, not just for the first stations but for a longer period may be necessary if the CEGB is to satisfy its responsibilities to consumers and taxpayers.

Yesterday, the committee suggested that the inefficient way Britain is handling all its big projects, not just nuclear projects, is perhaps the overriding one facing the electricity industry today. But the report as a whole is not a good advertisement for the Select Committee system. The committee has allowed itself to be side-tracked into a myriad of lesser issues without addressing the central question of how decision-making can be improved. It jumps to conclusions without bothering to argue its case. The Government is likely to see this report as irritating rather than helpful in resolving any of the problems that still beset Britain's nuclear power aspirations.

A step forward in Belgium

BELGIUM HAS found its way back to a measure of social consensus. For the first time since 1976 private sector employers and trade unions have concluded one of the so-called inter-professional agreements introduced after the war. In outline it provides for a two-year period of peace in industrial relations and for a limit on wage increases.

The agreement falls short of a freeze. In principle wages in the private sector are to be held down to keep pace with the cost of living. In practice there are exceptions and loopholes. Thus, for instance, the unions will still be allowed to bargain for shorter hours or, in the case of those that already have a working week of no more than 38 hours, for a reduction of one hour or for a wage increase of 1 percentage point per annum.

Since industrial output in Belgium is expected to decline this year that adds up to a further prospective increase of unit labour costs. Nevertheless the inter-professional pact is a success for the Government of Mr. Wilfried Martens.

Output

The public sector, including not only civil servants but also the workers of publicly-owned enterprises such as the ports, has been submitted to a similar regime by legislation. The threat did provoke a protest strike earlier this month. But it may be presumed that the inter-professional agreement has strengthened the Government's hands vis-a-vis the public sector.

Mr. Martens' success must not, however, be overestimated. The wage deal is only part of a programme which includes budget cuts. These will be heavily contested. The social services are in heavy deficit and a fight is sure as to whether they or some other government activity shall bear the brunt of the cuts.

Belgium had a period of distinct economic advance during the 1960s, but a largely outdated industrial structure, especially in French-speaking Wallonia, caused a severe setback in the 1970s. As in Britain — or for that matter the adjoining regions of France and West Germany — coal and steel play too large a part for comfort in the Belgian economy.

The unemployment ratio is 12 per cent. In some parts of Wallonia one in five of the workforce is out of a job. Growth is declining, from 2.4 per cent in 1979 to an estimated 1½ per cent last year. According to the OECD a meagre increase of GDP by 1 per cent only is in prospect this year.

The current external balance is heavily in deficit. For the Belgium-Luxembourg economic union it was U.S.$900m in 1978, leaping to $3.8bn in 1979 and 6bn in 1980. For this year the OECD has forecast a slight improvement to $5.7bn, though it will be the result of a falling off of home demand rather than of improved export performance.

Like the Germans, therefore, Belgium has been forced to hold up interest rates in the interests of its external payments, even though internal economic conditions would seem to call for the very opposite course.

In the case of fiscal policy there is a similar dilemma. The central bank has calculated that the public debt at the end of 1980 came to BFr 2,700bn (about £33bn). In itself that is not an overwhelmingly high figure, even for a small country. But what did worry the bank was the rapid increase of public sector borrowing from 4.9 per cent of GNP in 1970-73 to 9.4 per cent in 1979 and 12 per cent in 1980.

With the inter-professional agreement concluded and the wages of the public sector under control, the ministries have been told to look for economies. Mr. Martens has set a target date of Easter for the cabinet to make cuts in current budgeting. His hope is to reduce the budget deficit from BFrs 187bn to BFrs 100bn.

As a counterbalance to the contracting effect upon the economy, and as part of the wage deal, the Government is proposing tax cuts for small business.

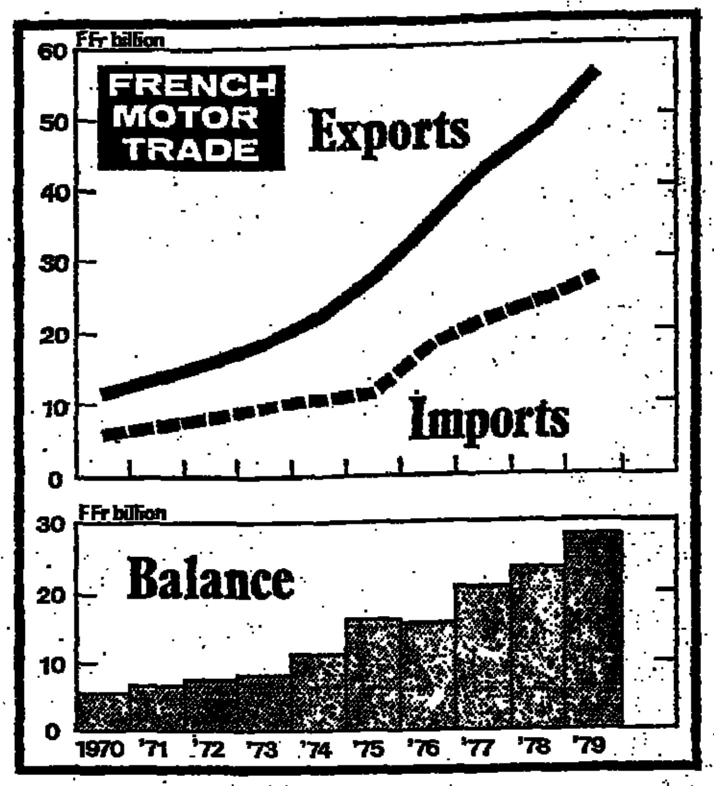
Minds clearly have been concentrated by the realisation that the country's recent economic performance has been poor. But Belgian politics are full of booby traps, and in any case two years of wage restraint cannot by themselves reverse the decline.

The economic engine stalls

By Terry Dodsworth in Paris

PEUGEOT RENAULT

The sickness afflicting the French motor industry is so far confined to one patient: Peugeot. Its nationalised rival, Renault, is still in robust health, breaking all sales records in 1980. But Peugeot has run into heavy losses—estimated at over FFr 2bn last year. The motor industry's weight in the national economy gives particular importance to such a reversal.



FOR THE first time since beginning its heady expansion in the mid 1960s, the French motor industry is in serious trouble.

Production has gone into reverse, exports are declining and the manufacturers' formidable grasp on their home market is being shaken loose by importers. Worst of all, Peugeot has run into heavy losses, undermining the reputation for financial prudence built up by 35 years of steady profits.

While this reversal is no more serious than that being suffered by many motor manufacturers in other countries, it has assumed particular importance in France, because of the weight of the industry in the national economy. French economists have for years expressed doubts about what is often called the country's "mono-industry"—its acute dependence on motor vehicles, and particularly cars, to power economic growth.

But it is only now, with the industry firing on three cylinders, that the dangers of the situation are being plainly exposed.

These problems are being felt most acutely at the employment level. In the last two years, the French vehicle producers have shed 12,000 workers, not counting sizeable redundancies in the component suppliers and allied industries. Many more jobs will go in the course of 1981, while Peugeot will have got rid of 45,000 employees worldwide by the middle of this year.

Yet throughout the 1960s and 1970s, motor manufacturers were the great creators of employment, leading the move to regionalise French industry, and rushing to the Government's aid when it needed jobs to soak up coal and steel industry redundancies. It is reckoned today that about one in 10 of the French workforce is employed in the motor sector.

The industry has been the unquestioned star of the country's spectacular recent export drive. Year after year, the big groups—Renault, Peugeot, Michelin—have led the export league, building up their sales to well over 13 per cent of the country's total exports. Because they have also been successful in limiting imports at home, they achieved steadily improving trade balances, culminating in the positive contribution of FFr 28.3bn ($5.5bn) in 1979.

Last year, according to the forecasts, the industry suffered a reverse on this front as well, pushing up the balance so marginally that it represented a decline in real terms.

In addition, vehicle producers have provided the main base for industrial investment in France since the lean years set in after the first oil crisis. According to a recent Bank of France study, spending in the motor industry increased steadily in real terms in the 1973-78 period when virtually every other significant industrial sector was cutting investment. But again, there are now signs of a serious reversal, as Peugeot have been forced into a drastic cost cutting exercise which has seen billions of francs lopped off its investment budget.

All these factors show that the French industry has caught a heavy cold. But what they do not indicate is that so far the virus is virtually confined to one patient — Peugeot. Renault, Peugeot's nationalised rival, has, by contrast, been enjoying robust health, breaking all its production and sales records in 1980, and even rivalling Japanese companies by increasing its exports.

This disparity in the performance of the country's two national champions has complicated the current debate in France about the future of the industry. There are, it is now emerging, three distinct features to the crisis. First, and most immediately, there is the general market problem, caused by the depression in the world economy. Secondly, there is the longer term question of adapting the industry to the demands of a more energy conscious age by radical changes in manufacturing and vehicle engineering methods.

Thirdly, there are the specific difficulties of Peugeot, trying to digest its Citroen and Chrysler Europe acquisitions, in the midst of this unsettled period.

No one in France seems particularly worried about the market question at present. "Globally, our industry performed as well as any other in Europe last year, and much better than the Americans," said a senior executive.

But the longer term structural problems are a different matter, whether they concern Peugeot or the industry as a whole.

The starting point is that European motor companies are now running the risk of being caught in a pincer movement between the Japanese and American industries. The Japanese are already hyper-competitive, say the French, producing at costs 20 per cent below those of Europe's most efficient companies. The Americans are investing enormous sums in an entirely new range of European-type cars which will be competitive in Europe's traditional markets.

At the same time, production is being revolutionised by robot applications and car engineering by electronics. "By 1985, the storm that is raging throughout the vehicle manufacturing sector will have created a new industry," said M. Francois Perrin-Pelletier, chairman of Peugeot's Talbot subsidiary in an interview last year.

The French industry's response to the mounting pressures has become clear in the series of moves launched during the last five years. Both Renault and Peugeot first set out to establish an internationally competitive size, roughly calculated as a capacity of about 2m cars and commercial vehicles a year. Each has now achieved this, Renault by internal growth, and Peugeot by the Citroen and Chrysler Europe takeovers.

Alongside this expansion, they developed a strong European base with distribution throughout the EEC, and links with other manufacturers for component production. But the key long-term objective was the U.S. market, seen as both a stable sale zone and a cauldron of engineering know-how, to which Europeans needed to have access.

Success in America would give the French companies a real international status similar to that enjoyed by Volkswagen, General Motors and Ford. But the French companies know they are in for a long haul. Renault has suffered heavily in the U.S. this year, having to put more money into its partner, American Motors, and not achieving anything like the sales it was hoping for. Peugeot, which had been aiming to infiltrate into Chrysler U.S., gradually building up sales to the American company's network, has had to stand helplessly by as its partner staggered from one financial crisis to another.

It is at just this delicate moment, as the French industry is manoeuvring itself from one strategic zone to another, that it has been hit by the Japanese export drive in Europe. The timing of this invasion explains the virulence of the recent French attacks on the Japanese, which is now leading to concerted pressure on the country's European partners to limit imports.

All the French companies suffered from the rise in Japanese sales last year, estimated at about 150,000 extra vehicles in Europe, in a market down by 400,000 units. French exports dropped by 42 per cent in Denmark, 21 per cent in the Netherlands, and 7 per cent in West Germany, going up only in Italy, where the Japanese are even more severely limited than by the 3 per cent market quota imposed in France. But Peugeot suffered most of all; and it is this company that faces the worst problems.

The big question at Peugeot is whether it can stop its present financial haemorrhage while continuing the investment programme designed to weld its three constituent parts together. Last year the group as a whole lost well over FFr 2bn, with only the Peugeot manufacturing arm managing to keep its head above water. At the same time, it has had to abandon parts of its strategy for Talbot, merging the distribution of this marque with Peugeot's own network and closing down the Linwood plant in Scotland.

Critics argue that this illustrates a miscalculation in the decision to buy Chrysler Europe: the acquisition has delivered nothing in terms of a U.S. opening, and has dragged the company into losses for a mediocre return in terms of market shares.

But Peugeot sympathisers believe that the company is packing every possible loss into the 1980 year as it pushes through its radical streamlining programme. While investments have been shorn—they will be down to FFr 4bn this year, against an average of FFr 6bn in the mid 1970s—Peugeot should preserve the necessary spending on new models and fresh technology.

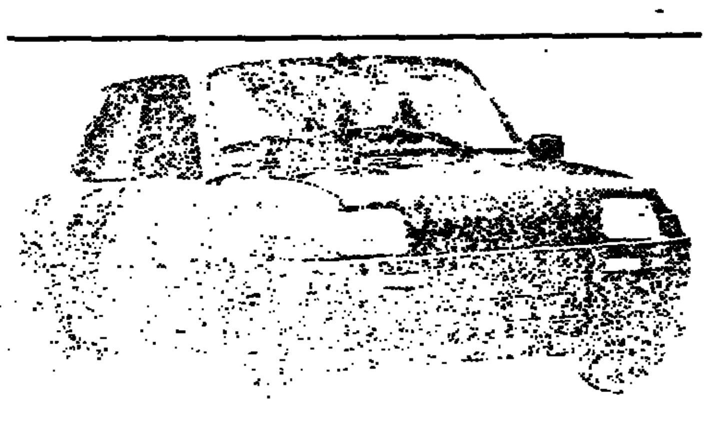
Discussing the general problem—not Peugeot specifically—the French Senate recently issued a report calling on the Government to intervene directly in the motor industry with an "innovative and carefully planned" policy. So far, the only signs of the Government answering the appeal lie in ad hoc help for research on energy saving vehicles and in its vigorous pursuit of an agreement to stem Japanese imports to Europe.

Unlike many leading industrial sectors in France, the motor industry has achieved its success with very little central Government interference, even in State-owned Renault. Intervention in Peugeot has been virtually nil, and the company has made it clear that it would like to keep it that way.

But what the Government will have to accept in future years is a motor industry which no longer provides the economic underpinning of the past decade. Renault, traditionally known for its pace-making social agreements, is now cutting back its labour force. As a result of this policy, and the installation of more and more robots, the company's productivity went up by 9 per cent in 1979, compared with an average of 3 per cent in the rest of the decade. The nationalised group makes no secret that this process will continue, and Peugeot's swingeing labour cuts go in the same direction.

Moreover, Peugeot's reorganisation will inevitably deliver more of the French domestic market to importers because of desertions by Talbot dealers. Analysts believe that after 15 years of taking about 20 per cent of French sales, importers will pick up at least 25 per cent and probably more in the next year or so. That will be a small price to pay if Peugeot emerges strengthened in Europe and as a real force outside.

If the gamble fails, the whole of the French industry will suffer.



CAR REGISTRATIONS

	1979	1980	% change
Total	1,976,391	1,873,202	−5.22
Total imports	423,708	428,516	−0.04
Total French	1,547,683	1,444,686	−6.65
Citroen	325,399	270,993	−16.72
Peugeot	358,698	293,461	−18.18
Talbot	171,993	120,874	−29.72
Renault	691,544	759,312	+9.79
Other French	49,000	56,000	+14.28

Source: French Motor Manufacturers Association

TRADE IN PASSENGER CARS, 1979

in $m: suplus (+) or deficit (−)

Japan	+11,389
West Germany	+ 9,115
France	+ 4,529
Italy	−61
UK	−3,732
U.S.	−11,273

Source: OECD

MEN AND MATTERS

RIT: the mark of the beast

Two more executives have resigned from the Midland Bank's Griffin Factors arm, part of its wholly-reorganised Forward Trust group, to join Anglo Factoring, the venture announced earlier this month by Jacob Rothschild's RIT.

Already, former Griffin managing director Ben Hosh is installed as managing director at Anglo, and on the first of next month, he will be joined by Freddie Salinger, who at 62 retires early from his Griffin executive directorship to partner Hosh.

Hosh gave an undertaking to Midland that he would not poach his old staff on RIT's behalf. But Jacob Rothschild's shrewd hiring has reaped the unexpected benefit that members of Hosh's team are following of their own volition. Embarrassingly enough, recent Anglo recruitment advertising for even junior posts at its new Brighton offices has brought in applications from Griffin staff.

Now, Griffin financial controller Compton Lee and management services manager Brian Arculus have told Midland they will be following the well-trodden path to the more rumbustious atmosphere of RIT—which lives, ironically, in a Midland Bank branch in St. Swithin's Lane.

The diversification into factoring is conceived by RIT as an important step in the development of its financial services for, in the long term, an international market. It points out the hoped-for analogy with the Anglo Leasing subsidiary whose pre-tax profits on acquisition in 1973 were £140,000, and rose last year to £1.5m.

Anglo Factoring kicks off with share capital of £500,000, and a £1.5m facility from RIT when it wants to gear up. Projections are for £10m turnover in year one, rising in five years to £200m.

Hosh has spent all his life in factoring, joining Griffin in 1974 when it became wholly-owned by Midland. He leaves it with a surge in pre-tax profits from a prior year £920,000 to £1.5m in 1980. Over at Anglo, he expects a lean return for the first 18 months, while heavy capital expenditure—notably on computers—and the recession bite.

"He isn't very tall but I can't see him fitting into a kangeroo's pocket!"

Swiss Rolls

A French court is expected to decide next week whether the Swiss brothers Schlumpf can regain possession of Europe's largest collection of vintage cars which they amassed in secret at their former textile factory in Mulhouse.

It is nearly five years now since the eccentric brothers, Fritz and Hans, both in their mid-70's, fled across the border to Basle to avoid legal actions over the collapse of their company. Workers occupying the factory broke open a building and discovered the "Louvre of the car industry" assembled by the Schlumpfs in a 40-year obsession which, it is claimed, ruined their business.

Laid out in red-tiled alleyways lit by hundreds of art-nouveau gas lamps, the workers found lines of vintage Bugattis, Rolls-Royces, Mercedes, Alfa-Romeos, Bentleys and Hispanos. More than 580 cars valued at an estimated £30m.

Most of them had been brought to the factory over the years in rail wagons and transferred to the storehouse for restoration while Hans patrolled the yard on a bicycle to keep the curious at bay.

The Schlumpf factory workers opened the museum to the public from 1977-79 to recoup money owed them by the autocratic brothers. More than 700,000 people visited the collection which the French Minister for Culture classified as an historic monument.

For the past year the museum has been closed and in the hands of the receiver. It seemed likely to be taken over by the Mulhouse city authorities earlier this month. But a court decision was deferred when the Schlumpfs called for the return of their treasured hoard—and offered to pay their £4m debts to get it.

Inadvertently

"Is the business you created getting out of control?" asked the newspaper advertisements featuring a Frankenstein monster carrying off a bemused entrepreneur.

Well things do seem to have gone awry for the ad's creators, Collett Dickenson Pearce, and its client Barclays Bank. Universal City Studios of California who made the original Frankenstein film in 1931, have started legal proceedings against them for infringement of copyright.

The full-page advertisements, which appeared recently in the national newspapers, are part of a £75,000 campaign for Barclays Business Advisory Service.

But the flat-headed giant with a bolt through its neck chosen to represent malfunctioning accounting and cost-control systems bears a close resemblance, says Universal, to Boris Karloff's film portrayal.

Banking licence

Anyone who has any Deutsche marks left after the flight from currency over the last month must be wondering how best to invest them. Is it time for a plunge in Federal Railway bonds? Or for buying a villa in suburban Stuttgart? Dresdner Bank's latest stock market letter has the answer—it is happy to recommend the rights issue recently launched by, well, Dresdner Bank, on jolly attractive terms. What is more, it reminds readers, the Bank has just announced a dividend of six marks per share. Really, nothing could be better, except that last year's dividend (which the letter does not mention) was nine marks.

Draught dodger

What appears to be an apt prologue to Sir Geoffrey Howe's Budget on March 10 was inserted in the Commons order paper yesterday—a piece of legislation tersely entitled Medicines Bill.

But Stephen Dorrell, Tory MP for Loughborough, who has laid claim to a ten-minute slot before the Budget statement for his Bill has no intention of pre-empting, or even delaying, Sir Geoffrey's economic prescriptions.

The Government's business managers, it seems, had become nervous about rumours that a Labour MP would nip into the vacant spot in the day's programme and discomfit the Chancellor. So Dorrell was prompted to take preventive measures. Come the day, he will step smartly aside to give Sir Geoffrey his due time.

Spent force

"But I don't think of you as being 64, darling — financially, you're in the prime of life."

Observer

هكذا وصل

ECONOMIC VIEWPOINT

The 5% monetarists—and other doubters

ANYONE WHO can provide a laugh in these grim days deserves thanks; but that is not the only reason why I am grateful to Professor Alan Walters this week. It is delightful, certainly, to find that the Prime Minister, having spent £50,000 of public and private funds on acquiring, as she thought, a personal adviser after her own heart, has been told by him that her policies are dangerous and technically ill-planned. I am personally grateful to him because he has proclaimed what I have been trying to argue at no public expense for some years: the technicalities may be boring, but they are not irrelevant. The basic issues are also, as it happens, simple and even comic at times.

The central message from the professor comes in three parts. The first, with which I loudly agree, is that Sterling M3, the official measure of money, is a hopelessly misleading guide to whether monetary policy is tight or slack. The second, more debatable bit, calls for an instant switch to monetary base control, whatever that may turn out to mean. The third part, which does not quite fit in with the second, is that we should actually use a cut in interest rates to secure a devaluation. It looks as if that horse could well have bolted before the discussion is over. Let us, however, take the argument in stages.

Criticising Sterling M3, which used to be thought equivalent to singing dirty songs in church, is now suddenly regarded as rather unsporting. Mustn't shoot sitting birds, you know. I think the public deserves a little explanation.

This is not just a matter of setting the historic record straight, or telling an improving tale, *though these are worthwhile objects.* If you understand what has gone wrong, you will also appreciate why so many other notions previously considered obscene are suddenly getting respectable attention—notions such as indexed Government borrowing, and fostering a market in very short paper, and taxing the banks and the oil companies and even the voters. And also why some apparently serious "monetarists" are talking of a really massive reduction in interest rates—not by one or two, but by six or eight points. These are puzzles worth attention. Bear, then, with a little history.

The British official world adopted a broad definition of money as its target—unlike the *monetary authorities* in other countries, who operate on narrow money. But that was not out of quirkiness, but because their aims are different. The monetary authorities in other countries are trying to control the money supply. The monetary authorities in this country are trying to control the Cabinet. Never forget it.

This is beautifully summed up in what officials like to call the "counterparts" of Sterling M3. The two important components are bank lending to the private sector, and that part of public sector borrowing which is not financed by savings from outside the banking system—mainly gilt-edged sales. The authorities regard is at totally *improper to try to control private borrowing;* overdrafts are sacrosanct. Monetary excess is therefore always trouble for the Government, not the banks.

If you think about it for a moment, the whole thing is pretty obvious. Monetary policy in other countries is about open market operations and the price of credit. If monetary growth is excessive, you tighten up the supply, and the price of credit rises. *People invest their cash* in loans and deposits, and hold less. It is not clear that this process does much good to anyone, but at least in a mechanical sense it works. When you tighten up, the rate of monetary growth falls.

However, if you include interest-bearing IOUs in your definition of money, the system is unlikely to work. Operate in a way which raises interest rates, and you *increase* the *demand for such IOUs.* You may also increase the demand for loans, since weak borrowers will have to borrow more to pay the interest. Other things being equal, a rise in interest rates will *increase* the growth of broad money.

You may now be wondering how the system could ever have worked; but of course other things were not equal. As we have noted, the counterparts include public sector borrowing, less non-bank investment in Government debt. In short, there are two classes of IOUs, *those which count as money* and those which do not. It was always possible to reduce the money supply in spite of the "perverse" (but natural) effect of higher interest rates by energetic funding. Or so it was thought.

This was the familiar world of funding crises. Bad money supply figures meant a funding crisis and a Cabinet decision. Raise interest rates, or cut *spending, or raise taxes.* Preferably all three. It is thus that a money supply target became a strait-jacket designed by officials for Ministers. In the 1950s and 1960s they did it with sterling crises. Since the pound was floated, they did it with broad money instead.

Now as long as this system worked, it commanded broad respect. The City distrusts Ministers even more deeply than officials do, and treasures its open-ended credit facilities. An orderly growth of M3 meant simply that Ministers were being kept under effective control.

PROFESSOR WALTERS
A message in three parts.

'The monetary authorities in other countries are trying to control the money supply. The monetary authorities in this country are trying to control the Cabinet.'

However, in the last year, the whole system has broken down, and has done so, thanks to another Olympian whim, under a Government which needed no urging to be as virtuous as any official could have wished. This well-meaning Government has produced economic disaster, or something near it, while failing *totally* to achieve its monetary objectives. It happened, as the best classical tragedies do, when *hubris* encountered *nemesis.*

The hubris consisted in overzealous monetary targeting and inconsistent tax policy. The Government, armed with the virtue of true conviction, believed that monetary policy was a matter of sheer willpower. It would have no truck with anything as wet as "gradualism." The monetary growth target was set far below the rate of inflation which resulted from high wages and a VAT increase; more significantly, it was set far below the rate of interest on bank loans.

It is of course very difficult for bank loans to grow more slowly than the rate of interest: this requires sizeable repayments of principal, which is hard to achieve in times of inflation. This could still be reconciled with *monetary* growth below the rate of interest if the banks had held a big enough portfolio of other assets — Government IOUs — which they could sell. Deposits could then grow much more slowly than the private loan book.

At this point, however, Nemesis made her entry, bearing *two hideous relics* of the past. The first was the state of bank balance-sheets. Long-term efforts to hold monetary growth below the growth of private credit — notably under the "corset" régime — had left the banks with virtually nothing on the asset side but commer*cial loans. Until borrowers* could repay, the money supply would grow at near the rate of interest; and when the Government responded to this excessive rate of growth, the loan book and the money supply grew that much faster.

The Bank of England's efforts to prevent a still further twist in this mad spiral by turning the Discount Office into a kind of pawnshop have been *denounced as wet; but otherwise,* the rise in interest rates *and monetary growth* would have gone still further. Professor Walters is much too mild when he says that M3 understates the severity of the squeeze. It tells flat lies about it. The "excessive" money figures mean an excessive squeeze.

Meanwhile, Nemesis had a special little present for the Chancellor in the form of debt service. The growth of the debt service burden is simply the other side of the coin we have just been inspecting — the fact that the Government has over the years funded all its short debt. Heavy continued borrowing and the need to re-fund maturities at higher and higher interest rates have added considerably to the cost of debt service.

About half the overshoot in the PSBR this year is due to the *slump — the effect of an* inadvertently ferocious monetary squeeze. A sizeable chunk of the remaining overshoot is the unexpectedly high cost of debt service. The heavy funding which was supposed to fight inflation has now reappeared as perpetual borrowing which appears to fuel it.

Against this background, the present doctrinal and policy arguments virtually explain themselves. If high interest rates accelerate the growth of broad money, why not cut interest rates and get money growth back on target? Anti-monetarists will be interested in this evidence that while the doctrinaires will not admit to claiming that black is white, some are now committed to the second-order proposition that two blacks make a white. This is setting a madness to offset a madness—but statistically, it would work.

While this school of 5 per cent monetarism has only limited support, there is much wider *agreement to the propo*sition that an M3 target can no longer be the basis for interest rate decisions. Hence the fundamental review of the instruments of monetary policy now going on, in an effort (unlikely to succeed) to reach some radical conclusions by March 10.

Some of the other technical propositions are addressed to particular problems rather than the general crisis of monetary control. Indexed stocks, short-term and floating rate stock, granny bonds and privatisation are all aimed, in part at least, to check the relentless growth of debt service, and the monopolisation of the capital markets by official borrowers. Other discussions about *exchange regimes, tax deduction* and restricted-holder stocks are aimed to weaken the link between domestic restraints and the exchange market—though in fact sterling looks potentially vulnerable once the Petroleum Revenue Tax season and the present extraordinary current account peak are passed.

But some more deep-seated doubts are also beginning to appear. Funding itself is now seen as a problem rather than a solution, and even so committed a monetarist as Professor Patrick Minford rejects the Friedman finding that fiscal policy does not matter. He now argues simply that fiscal deficit is always inflationary, whether funded or not. This is anti-Keynesian, but not monetarist.

Mrs. Thatcher admits that the exchange rate could in some circumstances be an over-riding policy objective, and the Governor of the Bank of England talks of joining the EMS. Ministers show growing concern with finding ways to exempt productive, potentially self-financing public sector investment from general constraints on borrowing.

These and other doubts, though they may look detailed and practical, attack the very roots of the quantity theory of monetary management. If the Government can learn in time the difference between sound *management and* unsound doctrine, we are perhaps suffering to some purpose.

Anthony Harris

Letters to the Editor

Danger lurking underground

From the Chairman,
Pipe Jacking Association

Sir,—Sewers attract few headlines, perhaps because only £200m was spent on their construction and repair in 1978-79, the most recent year in which figures are available, a fraction of what is needed to maintain an efficient sewerage system in this country.

The perilous state of much of our sewerage infrastructure, most of which owes its existence to our Victorian forebears who invested money for the benefit of future generations, is not generally well known to the public although common knowledge within the industry. Almost daily sewer collapses are occurring with their consequent potential dangers to human lives, property and to public health. Despite this the money allocated to new sewerage construction has declined from £181.2m in 1976-77, £150m in 1977-78, to £161.6m in 1978-79. In real terms this is a cutback in the order of 50 per cent and recent NEDO forecasts indicate yet further cutbacks planned for 1981.

It appears that successive administrations have forsaken one of the true roles of government, that of maintaining an efficient infrastructure and are instead content to divert income away from essential long term capital projects so that it is now used for current expenditure on grants and subsidies to lame duck industries.

In our view, money could be channelled into the construction industry with little or no cost to the Exchequer and at the same time producing a considerable reduction in unemployment.

With unemployment in the construction and allied sectors estimated at 400,000 and with each unemployed person, according to Government figures costing £5,500 (January 15) per annum in terms of lost revenue plus benefit costs, we are spending at the rate of £2.2bn to produce nothing. Current NEDO forecasts for 1981 predict public expenditure in the construction industry will total £6.5bn, the major proportion of this figure being a Government responsibility related to the country's infrastructure which cannot be maintained by private investment.

Assuming 50 per cent of the total accounts for labour and staff costs and the balance on materials, goods and services (again half of which total will account for a labour content of around 50 per cent) an injection of £2.2bn (or 34 per cent increase) into the construction industry is likely to directly reduce unemployment by 200,000 and would probably produce another 100,000 jobs in the materials, plant, insurance, banking and other sectors which contribute to a construction project.

It is surely time for the Government to act before it is too late.

C. M. Hough,
UK Pipe Jacking Association,
Suite 411,
London International
Press Centre,
Shoe Lane, EC4.

Electrifying the railways

From Mr. M. Douglass.

Sir,—Your Editorial of February 12 suggests that in running railways electrification costs can somehow be separated from other track and operating costs so that a cash return to private investors in respect of one part of an operations can be reconciled with a taxpayer-subsidised loss on another part of the same operation. How can this possibly be?

All railway operations in this country are loss-making. Any theoretical profitability is based on assumptions that capital *costs of track and rolling stock* have been "written off." In fact, the burden of servicing the capital debt has been transferred to the taxpayer so that there is a vast concealed subsidy.

Ever since the disastrous railway modernisation plan of the 1950s we have been told again and again that massive capital expenditure on railways from public funds will return them to profitability. It has never happened and it never can happen because railways in this small island are a wholly uneconomic form of transport.

The report suggests that the expenditure might be justified as a way of supporting the elec*trical manufacturing industry;* but if that industry needs support, for which there is little evidence, would it not be better to put the money into the electronic technology fo the future rather than in the clumsy technology of the past?

Electrification is often suggested as a way of saving oil, but if we wish to find substitues for natural oil it would be many times more effective to spend money on building plants to make oil from coal. We have a surplus of the latter.

M. J. Douglass.
Pondground, Greenham,
Wellington, Somerset.

Free to do as you are told

From the National Branch Organiser,
The Freedom Association.

Sir,—Sandwell's closed shop agreement has already brought *forth more* than the normal amount of nonsense from union bosses.

But Mr. Sid Platt, the National and Local Government Officers Association West Midlands district organiser takes the biscuit. He is reported (February 11) as saying that *Miss Joanna Harris should have* joined NALGO before the closed shop agreement was signed. Then she could have organised to prevent the closed shop agreement being made NALGO policy.

Cannot Mr. Platt understand that most people do not want to organise to push people around? They assume that other people too will leave them alone to exercise their right to choose. It is a hard lesson to learn that people like Mr. Platt are continuously labouring to get them the sack. But they are now beginning to learn.

Gerald Hartup.
The Freedom Association,
11 Grape Street, WC2.
Organiser,

The price of gas

From Mr. W. Orchard.

Sir,—Mr. T. Hayward (February 12) emphasises the Government's problem of pricing fuels in conjunction with our nationalised fuel industries.

Another way of looking at a gas price of 22p per therm would be to examine the price that the market would bear for this premium fuel in a free market. Historically, a price equal to or above the light oil price should be attained and today this would be equivalent of around 45p per therm.

Based on an estimate of the *domestic gas consumption for* heating, it would appear that the domestic gas consumer enjoys a subsidy of approximately £1.4bn per annum, a situation which, as a gas consumer, I heartily endorse. Let this be one area where Mrs. Thatcher does not allow the principles of market forces to operate.

W. R. H. Orchard,
Orchard Partners,
67/69 Southampton Row, WC1.

Japanese vehicles

From the Chairman,
BL International

Sir,—*The emphasis on Japan's* success in the Australian motor industry (February 13) is, of course, correct. The advantages *of the Japanese in this industry,* which have been developed over many years of direct and indirect protection, are well-known, and their success is not, of course, confined to Australia. The Japanese have taken approximately 21 per cent of the United States market, and in 1980 their production of motor vehicles exceeded United States' production by almost 40 per cent.

The comment, however, that "apart from producing Mini Mokes, BL is reduced to an importer" is incorrect. Leyland-Australia assembles Leyland trucks and buses. Land-Rovers and Range Rovers, and is Australia's leading builder of luxury coaches. The company employs some 2,300 people and operated at a profit in 1980 (and in 1979). Regarding the prices of small cars, the figures of *$5,000 and $3,000* are intended, no doubt, to be pounds rather than dollars.

W. P. Thompson.
BL International,
35-38, Portman Square, W1.

Nuclear power

From Mr. J. Hibben

Sir,—*I have heard it said that* there should be a twenty year moratorium on the development of nuclear power stations. This would be an economically disastrous choice for this country and would in effect be a decision to say no to nuclear power for twenty years, at a time when nuclear generation costs all over the world are emerging as by far the cheapest way of producing electricity.

France is now the leading country in the development of nuclear power and has such a lead that it is likely to remain *so for the rest of this century.* Average electricity costs to the French industrialist are now lower than those in this country *and the gap is likely to widen* dramatically in the next ten years. Recently published figures for French generating costs are 1.2p/KWh from nuclear plants 2.4p/KWh from coal and 3.6p/KWh fom oil. The French are building one nuclear power station every two months and will soon be producing a series of fast breeder reactors which have even more dramatic cost advantages. They will be producing half their electricity from nuclear power stations by 1985 and 75 per cent by 1990.

In the meantime we have ordered our first nuclear power station for a decade and are still dithering about our first commercial fast breeder reactor.

Whether we use more, the same or less energy in the *future, we are going to need* a large nuclear power station programme to have competitive energy prices and therefore survive as a trading nation. The recently announced construction programme in this country is a step in the right direction but does not go far enough.

It is time that leading industrialists and trade unionists struggled out of their apathy and countered the insidious propaganda being put out by anti-nuclear groups; or are they prepared to sit back and watch our country become an off*shore island of cheap labour* (the only way we could remain competitive) for the French industrial giant.

J. A. B. Hibben,
43 Mallory Road,
Bishops Tachbrook,
Leamington Spa,
Warwickshire.

Sheep and goats at Lloyd's

From Mr. G. Winn.

Sir,—I should like to commend the valiant efforts of the Association of External Names of *Lloyd's to everyone who is* a friend of that great organisation.

Lady Middleton, the chairman of this new association, believes that Clause 11 of the Bill which is now before Parliament, cannot be in the best interests of Lloyd's. It would put all members above the law. This must be wrong. To try to do so must be political dynamite.

Other sections of the Bill segregate external members and working members like *sheep and goats. So, in effect,* the sheep could not call a meeting unless the goats also wanted one. Thus, the external members (the sheep) could be disenfranchised. I must not continue with this parable as it may seem to be discourteous to our chairman.

It was a pity, I believe, that the Bill was presented to Parliament with these divisive clauses included. I congratulate the members who presented the petition to Parliament to have the Bill amended. I believe the Bill in its present form would not be in the long term interest of Lloyd's.

Sheep and goats must unite to support Lady Middleton in her endeavours. You gave her *overwhelming encouragement* on November 4 at the Albert Hall. Now is the time to give her your practical support.

G. M. V. Winn.
Aldby Park, Stamford Bridge,
York.

Polish debt

From Mr. A. Griffiths.

Sir,—Why not sell EEC food mountains to the Poles? If we must sell the stuff at knock-down prices to countries behind the Iron Curtain, we might at least let our friends benefit from it. It may not solve the problem of the Polish debt but it might help the Polish people in a practical way.

A. R. B. Griffiths.
37 Hillcrest Road,
Loughton, Essex.

Today's Events

GENERAL

UK: National Union of Mineworkers executive committee meets to decide on national strike ballot.

Union leaders of health service computer staff consider industrial action.

General and Municipal *Workers Union water workers in* Birmingham and Liverpool vote on pay offer.

London's crime figures *published.*

Prince Philip speaks at Young People and Training conference, National Liberal Club, SW1.

Arab-British Chamber of Commerce meeting on advertising and marketing in Arabia, Berkeley Square, W1.

Overseas: Lord Carrington, Foreign Secretary, concludes visit to Nigeria.

PARLIAMENTARY BUSINESS

House of Commons: Water Bill, remaining stages. House of Commons Members' Fund and Parliamentary Pensions Bill. Motion on Members' salaries and pensions.

House of Lords: Wildlife and Countryside Bill, committee. Deep Sea Mining (Temporary Provisions) Bill, report.

Select Committee: Home Affairs, sub-committee on race relations, on numbers and legal status of future British overseas citizens without other citizenships. Witnesses: Foreign Office; Prof. Perry and Prof. Reid.

OFFICIAL STATISTICS

Public sector borrowing requirement and details of local authority borrowing (fourth quarter). Consumers' expendi*ture (fourth quarter — second* preliminary estimate). Preliminary estimate of gross domestic product based on output data (fourth quarter). Construction — new orders for December. London dollar and sterling certificates of deposit (mid-January). UK banks' assets and liabilities and the money stock (mid-January). Capital expenditure by the manufacturing, distributive and service industries (fourth quarter — provisional). Manufacturers' and distributors' stocks (fourth quarter — provisional).

COMPANY MEETINGS

Construction Holdings, 124, Chancery Lane, WC, 12. Dobson *Park Industries, Midland Hotel,* Manchester, 12. English China Clays, Hyde Park Hotel, Knightsbridge, SW, 12.30. Greenall Whitley, Lord Daresbury Hotel, Daresbury, nr. Warrington, Cheshire, 12.

BOC advances to £14.6m for first three months

FOR THE first three months to December 31, 1980, pre-tax profits of BOC International increased from £12.4m to £14.6m, on a modified historical cost basis. In current cost terms, taxable surplus rose by £2.5m to £14.9m.

First quarter sales of the group, which has interests in industrial gases, health care, welding and carbon graphite products, improved from £289.9m to £303.5m.

Trading profits in modified historical terms climbed by £4.2m to £29.5m. Operating costs totalled £251.5m (£244.2m), while depreciation accounted for £23.5m (£21.6m). This included additional depreciation on a replacement cost basis of £8.6m (£8.4m) reflecting the current cost of goods sold. Associates' contributions were £0.2m lower at £1m.

The regional pattern of modified historical trading profits was: Europe £5.2m (£3.8m); Africa £5.1m (£3.7m); Americas £8.9m (£8m); Asia £0.4m (£0.3m) and Pacific £5.8m (£4.7m). Inventory gain was £4.1m (£3.9m) and there was an exchange gain last time of £0.9m.

Interest charges rose from £12.9m to £14.9m and tax was up by £1.2m to £6.5m. After minorities of £2.3m (£1.6m), earnings for the period came through £0.3m higher at £5.8m. Earnings per 25p share on a nil distribution basis were 2.33p (2.21p) and were 1.77p (1.69p) on a net basis (after ACT written off).

For the year ended September 30, 1980, modified historical pre-tax profits totalled £61.5m and earnings per share were 13.32p on a nil basis. Dividends amounted to 4.62p net.

CCA pre-tax profits for the first quarter were arrived at after charging operating costs of £257.6m (£250.9m), less gearing of £6.4m (£6.7m), while earnings emerged ahead by £0.6m to £6.1m. Earnings per share were 2.42p (2.21p) on a nil basis and 1.86p (1.69p) net.

At December 31, shareholders' funds in modified historical terms were ahead from £983m to £806.2m, while net borrowings and finance leases rose to £484.2m (£473.4m).

See Lex

HIGHLIGHTS

On a fairly busy day for company results Lex concentrates on the figures of three major companies. First-quarter profits from BOC International show a rise of £2.2m to £14.6m. Helped along by Spillers, Dalgety has produced slightly higher pre-tax profits for the half year, but at Birmid Qualcast the profit and loss account has nosedived with a mere £225,000 profit for the year before exceptional items and tax which result in an attributable loss of nearly £13m. On the inside pages other important results include those of Wedgwood, better than expected, and Securicor, where the slowdown in growth was fairly well anticipated.

Dalgety given a boost by Spillers

SPILLERS' activities have made a valuable contribution to the UK results of Dalgety, says Mr. David Donne, chairman of the international merchant in his interim report. He says Spillers is fulfilling the hopes which prompted its acquisition, and its successful merger with Dalgety's existing UK activities has strengthened both considerably. Mr. Donne says he foresees an increasingly prosperous future for the combined business.

Pre-tax profits of Dalgety increased from £15.7m to £16.2m in the half-year to December 31, 1980. Food processing and distribution showed the biggest increase, advancing from £4.5m to £8m. Milling profits were up from £1.1m to £4.4m, but agriculture fell behind at £10.8m (£11.7m), and malting was also lower at £2.1m compared with £4.2m. Comparative figures for 1979 excludes Spillers' results prior to acquisition.

Interest charges up from £12.4m to £14.8m substantially offset the £3m increase in profits. After tax up from £6.8m to £7m and minorities of 1.4m (£800,000), stated earnings per £1 share are down from 15.7p to 10.9p. The interim dividend, which absorbs £7.7m (£6.1m), is unchanged at 11p net—last year's total was 22p from pre-tax profits of £33.4m.

Mr. Donne says borrowings, at £230m, were £18m lower than at the same time last year as a result of firm control in all regions.

At the half-way stage, the group had short-term borrowings of £97m (£124.5m) and loan capital of £133.2m (£123.3m). Included in these totals are secured borrowings which amounted to £6.5m (£12.4m) and £45.4m (£48.2m) respectively.

Mr. Donne says rural agency profits in New Zealand and Australia were good despite drought in some areas of Australia which may well affect the second half figures.

Turnover and profit by regions (in £m): UK and Europe £684 (£384) and £18.6 (£14); Australia £70 (£62) and £4.2 (£4.4); New Zealand £66 (£67) and £4.6 (£4.9); Canada £87 (£91) and £2.4 (£3); U.S. £252 (£226) and nil (£0.7).

Birmid profits slump to £225,000—final omitted

WITH A second half turnround of £8.97m, giving a £4.53m loss, taxable profits of Birmid Qualcast have slumped from £6.38m to £225,000 for the year to the end of October, 1980, and with the omission of a final the total dividend is down from 4p to 1.5p net per 25p share.

Mr. James F. Insch, chairman, says the severe depression in the automotive products sector was a dominant feature in the profit downturn, and the improvement in first-half figures—up from £1.94m to £4.76m—was eroded through lack of demand.

He states that the general recession continued during the first quarter of the current year, when the group traded at a loss. While he expects a number of the group's well-equipped businesses to be profitable, some of them will need more work than is currently available.

Further closures are taken place this year within the group, and are included in an extraordinary debit of £10.22m (£2.83m) in the 1979-80 accounts.

Borrowings increased by £11.9m during the year, the chairman says, but he explains that there are bank facilities more than adequate to finance the seasonal and recessional influences which affect group business.

Following the closures, assets which are surplus to requirements will be sold, although realisations are expected to extend beyond the current year.

During the first few months of the year the foundries' division earned acceptable profits, but since April of last year, there was a dramatic downturn in business across all sectors of the European car, truck and tractor industries, which "presented far more serious circumstances than those which could have been foreseen at the beginning of the year," Mr. Insch states.

Continuing to benefit from reorganisation, Potterton International—the heating side—had another good year and further improved its profitability despite a reduction in demand in the second half.

In the home and garden equipment division a vigorous marketing campaign helped to generate a healthy increase in sales volume in the UK, and maintain the competitive position of the group's lawnmowers; profits showed a satisfactory rise. The chairman adds that profit margins obtained from exports were gradually eroded by strong sterling.

Heavy losses were incurred at Birmetals, in the wrought and engineering sector. Because of industrial action by the manual workforce, on the question of a pay rise, production was stopped, Mr. Insch explains.

At the year end, loss per share is given as 4.5p (earnings 8.7p) on a net basis, and earnings of 2.3p (8.7p) on a nil basis.

See Lex

Interim downturn for Daejan

Profits before tax of Daejan Holdings, the London-based property investment and development group, fell back in the six months to end-September, 1980, from £2.93m to £1.95m, after financing charges and other expenses which rose to £3.44m, compared with £2.96m.

It is anticipated that taxable profits for the year to March 31, 1981, will be in the region of £3.5m (£4.19m).

The interim dividend is being maintained at 1.225p net. Last year a final of 2.275p was paid.

Tax for the half-year showed a reduction from £1.05m to £750,000 and stated earnings per 25p share were lower at 7.28p (11.49p).

Rental income and charges receivable, less property outgoings, amounted to £2.83m (£2.47m), but the surplus on sales of properties showed a decline of £0.8m to £2.48m. Other income totalled £71,000 (£146,000).

Included in the rental income is an amount of £366,000 relating to the previous financial year, in respect of a retrospective rent review agreed in the current year.

CERES DRILLING IN ALBERTA

Canada's Ceres Resources reports that operations have commenced under the Canadian and U.S. oil and gas joint ventures with Renaissance Resources.

Two wells have been spudded in the Metiskaw and Craigmyle areas of Alberta. An additional three more wells in the same area are about to be drilled.

Ceres anticipates that the Canadian joint-venture agreement with Renaissance will involve Ceres in at least 50 wells during 1981.

In respect of the Renaissance U.S. programme Ceres expects to be involved in the drilling of a minimum 60 exploratory and development wells during 1981. One well is presently being drilled in the Powder River Basin of Wyoming. Two more are about to commence in the Tulsa area of Oklahoma.

Ceres Resources shares are traded on the London Stock Exchange under Rule 163(1)(e).

Volume down but Wedgwood has satisfactory third quarter

DESPITE reduced sales in terms of real volume, Wedgwood, manufacturer of bone china and earthenware, reports some improvement in the group's profits for the third quarter, with a modest increase from £1.95m to £1.97m.

But in the 39 weeks to December 27, 1980, pre-tax profits fell from £4.56m to £3.62m. Sales to third parties rose from £69.78m to £78.16m.

Commenting on the third quarter improvement, Sir Arthur Bryan, the chairman, says this stemmed from a major cost reduction programme which really began to bite during this period and is being intensified.

He says it is the board's view that exporting, which represents two-thirds of the group's business and has been the basis of its success, will remain difficult for some time yet.

High interest charges again left their mark, he says, and in the 39 weeks these increased from £1.57m to £2.41m. After tax down from £1.17m to £853,000, stated earnings per 25p share are 7.4p (9.1p).

Total dividends last time were 4.18p from pre-tax profits of £5.81m.

Extraordinary items for 39 weeks amounted to £692,000 compared with £461,000, and these consisted of adjustments in the value of net current assets and borrowings due to fluctuation in exchanges rates of £136,000, and losses relating to the sale of the assets of Galway Crystal, which accounted for £556,000. Retained profits came out at £1.74m against £2.27m.

Sir Arthur says that with only a few exceptions, demand for the group's products remains high despite recent price rises. Sales by its subsidiaries in the United States, Canada and Australia are still holding up well, although volume increases are hard to achieve, and profit margins cannot be maintained in the face of strong overseas competitors operating on more favourable terms.

He adds that in the months ahead further emphasis will be placed on further reducing costs and improving productivity.

At December 27, shareholders' funds stood at £44.42m (£43.22m). Bank loans and overdrafts were £13.92m (£9.6m), and debtors totalled £24.74m (£21.89m).

Securicor Group advances

ON TURNOVER over £32m higher at £174.5m, taxable profits of Securicor Group improved in the 12 months to September 26, 1980, from £6.93m to £7.94m—a rise of 14.6 per cent.

The dividend for 1979-80 is being stepped up from 1.47p to 1.61p net, with a final of 1.11p (1.02p).

After a higher tax charge of £1.53m (£1.33m), including prior year adjustments of £701,000 (£334,000), stated earnings per 25p share were 15.8p (13.6p).

Commenting on the results Mr. Peter Smith, chairman, says that the international division, operating through 16 separate companies, showed a greater increase in profitability than any other single sector of the group — profits here rose from £978,000 to £1.3m.

He points out that against a background of continuing recession and highly-competitive conditions, profit from industrial security and movement of parcels improved by 9.4 per cent, from £3.62m to £3.96m, after absorbing remaining development costs in relation to the new freight service.

Pre-tax profits of the finance, investments and insurance division amounted to £2.09m (£1.62m) but the property, hotels and vehicle division slipped to £588,000 (£705,000).

Security Services, the 52 per cent-owned listed subsidiary, incorporating Securicor Limited, returned taxable profits of £6.23m (£5.36m) over the year on turnover ahead from £135m to £164m.

A final dividend of 1.8p (1.65p) brings the total up to 2.71p net (2.475p).

● comment

Pre-tax profits of Securicor Group are ahead by 14.6 per cent, rather better than the mass of UK companies, but well below Securicor's trend growth rate since 1975 of nearly 30 per cent. The basic security business could manage only a 9.4 per cent increase, but has been held back by the charging of development costs relating to the new freight service — which is being developed on the back of branches in the existing security network. The brightest spots would seem to have been overseas and in the group's finance/insurance/investment division. At 183p, down 3p yesterday the group shares yield 1.26 per cent on an excessive fully taxed p/e of 28.3 and Security Services (the 52 per cent-owned subsidiary) yields 2.1 per cent on a fully taxed multiple of 21.

Epicure rises to £0.42m midway

CONFIRMING THE prediction made by the chairman in his last annual statement, turnover of Epicure Holdings increased from £3.89m to £5.46m for the six months to December 31, 1980, while pre-tax profits rose 39 per cent from £303,000 to £423,000. However, because of acquisitions and disposals last year, the company points out that results are not wholly comparable.

Last October, Mr. R. J. Brealey, the chairman of this hotels, construction and financial services group, said that with order books as high as could be expected, he saw no reason why profits in the current year should be less than those of the previous 12 months. Net attributable tangible assets have continued to rise and the Board confirms its confidence in the outcome of the current year's trading by raising the interim dividend by 25 per cent from 0.4p to 0.5p net—last time, the total payment was 1.25p on pre-tax profits of £705,000.

Tax for the first half took £105,000 (£125,000) giving net profits ahead from £178,000 to £318,000. The interim dividend absorbs £40,000 (£32,000) after waivers by Mr. Brealey—the total net amount payable before such waiver amounts to £9,365.

● comment

Piecing together a variety of interests ranging from hotels in Lincolnshire to construction, property and horticultural businesses, Epicure seems to be managing reasonably well. Pre-tax margins are steady at 7.8 per cent and profits are keeping pace with a 40 per cent rise in turnover, albeit from a different mix of operations than last year. Capital gearing is down to a mere 15 per cent and the group shows signs of a healthy year-end profit rise to around £900,000. If the mainstay construction business does not do terribly well this year—its half-year profit is down from £100,000 to around £105,000—then Epicure can possibly make money by disposing of part of its 190-acre commercial and residential land bank. One of the group's more curious enterprises is its [illegible],000 refurbishment of a West Florida hotel into a British-style establishment complete with "bangers and mash." This is scheduled to open in June and it is anyone's guess whether American tourists will be tempted by UK cuisine just a few miles from Disneyworld. The shares are now trading on a prospective p/e of nearly 13—no bargain. The prospective yield is 8 per cent.

Unidare pays more

TAXABLE PROFITS of Unidare fell from Ir£3.3m to £2.59m in the 12 months to end-December, 1980, despite an improvement midyear of £149,000 to £1.53m. Sales, excluding those to subsidiaries, for the year amounted to £36.22m, compared with £32.56m.

A final dividend of 5.8p (5p) brings the total up to 7.5p net against 6.55p.

The surplus included a share of profit of an associate of £65,000 but was subject to tax of £425,000. Interest of outside shareholders took £186,000.

After total dividend payments, which wil absorb £714,000, and a transfer to capital reserves of £50,000 retained profit was £1.18m.

A further revaluation of the company's fixed assets has been carried out and details of the surpluses arising will be contained in the annual report.

Unidare is a subsidiary of Philips Electrical (Ireland).

Standard Life bonus distributions over £80m

UK with-profit policyholders with Standard Life Assurance are to receive record bonus distributions, for the year ending November 15, 1980, at a cost of £80.7m following the latest valuation of the company's liabilities and assets. This compares with £68m distributed to UK policyholders last year.

The total amount being distributed this year by the company, including its Canadian business, costs £81.9m.

On UK whole life and endowment assurances, the bonus rate applicable to the basic sum assured remains at £4.40 per cent, but the rate applied to attaching bonuses is lifted 35p to £5.60 per cent.

The special bonus paid on death or maturity claims now ranges from 5 per cent of the sum assured and attaching bonuses after eight years in force to 70 per cent after 40 or more years. The previous scale ranged from 2½ per cent to 57½ per cent.

The net effect of these changes is to provide much higher increases in maturity values for the longer date contracts. For example, a 10 year policy taken out by a man then aged 29 for a gross monthly premium of £10 would see the maturity value rise 3 per cent from £1,768 to £1,821. Under a 25-year contract taken out by a man aged 29 for the same premium the maturity value jumps 8.9 per cent from £8,936 to £9,730.

On personal pension and executive pension plans the rate is improved by 15p to £6.15 per cent of the basic benefit and attaching bonuses for annual premium contracts, and by 40p to £6.15 per cent compound for single premium plans.

The company is now paying a special claims bonus on these plans of 25 per cent of attaching bonuses where the contracts have been in force for five years.

The same rate of reversionary bonus applies to Stanplan M1 and Stanplan M2 and AVC contracts, but the claims bonus is 12½ per cent of attaching bonuses provided contributions have been paid for at least five years prior to retirement.

EVER READY (GB) NAME CHANGE

The Ever Ready Company (Great Britain), a member of the Berec Group, is changing its name to Berec (Ever Ready) as from March 2.

SPAIN

February 18	Price %	+ or −
Banco Bilbao	286	−6
Banco Central	332	
Banco Exterior	258	−2
Banco Hispano	269	−6
Banco Ind. Cat.	124	−1
Banco Madrid	141	
Banco Santander	338	−6
Banco Urquijo	181	−2
Banco Vizcaya	314	−6
Banco Zaragoza	238	
Dragados	125	
Espanola Zinc	57	+1
Fecsa	59.5	
Gal. Preciados	34	−1
Hidrola	66	−0.5
Iberduero	59.2	−0.3
Petroleos	87.5	−4.5
Petroliber	70	
Sogefisa	102	
Telefonica	61.7	−0.5
Union Elect	65	−0.5

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Birmid Qualcast		Nil	—	2.5	1.5	4
Daejan Hldgs.	int.	1.23	March 20	1.23	—	3.5
Dalgety	int.	11†	July 1	11	—	22
Eleco	int.	1	May 12	1	—	3.3
Epicure	int.	0.5	April 3	0.4	—	1.25
Foreign & Colonial		2.44	April 8	1.95	3.69	2.95
General Consolidated		3.65	April 3	3.1	5.9	5.53‡
London & Lomond Inv.		2.2	April 3	2	3.8	4.1‖
Rue Estates		1	—	4.5	1	4.5
Securicor Group		1.11	—	1.02	1.61	1.47
Security Services		1.8	—	1.65	2.71	2.48
Unidare		5.8	—	5	7.5	6.55
Utd. Real Property	int.	1.25	April 9	1.25	—	6
United States Deb. Cpn.		3.58	May 26	2.78	5.58	5.58¶
Updown Investment		2	March 28	1.75	2	1.75
West Coast and Texas		1.3	April 7	1.25	1.3	1.25
Yeoman Investment		7.75	April 3	6.75	12.75	11.8§

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes 0.43p non-recurring special. § Includes 1.05p non-recurring special. ¶ Includes 0.8p non-recurring special. ‖ Includes 0.7p non-recurring special.

هكذا من الاصل

Denbyware likely to spurn full offer by Crown House

BY REG VAUGHAN

CROWN HOUSE, the electrical and mechanical engineering and glassware group, has launched a full bid for Denbyware, the loss-making Derby-based tableware and ceramics group. But the early signs are that it will be rejected.

Crown House, which already has a 29.98 per cent stake in the company, is offering 80p per share cash for the balance. This values the whole company at about £3.4m, which compares with net assets in the last accounts of £8.8m. On the stock exchange yesterday the Denbyware shares closed 13p higher at 86p with Crown House gaining 2p at 59p.

The price that Crown House is offering compares with around 130p that it paid in August, 1979 when raising its stake from 18 per cent to its present level. With the Denbyware share price falling, Crown House has since written down the investment in its books to £915,00—equal to about 71p per share.

Denbyware's initial reaction was to advise holders to take no action but all the indications are that this 11-year-old public company is not going to give up its independence at this price.

Minster Trust, adviser to Denbyware, moved quickly into the stock market yesterday morning and bought 150,000 Denbyware shares at just over 80p each. This added nearly 3.5 per cent to the stake held by Minster Assets, its parent company, in the capital of Denbyware taking it up to 15.34 per cent.

Minster said yesterday that it regards the shares as cheap at this price.

Although there had been regular meetings between the two companies over the past 18 months, there had been no discussions on a bid, Crown House said.

The first indication Denbyware had of the move was through a letter to the chairman, Mr. George Robinson, on Tuesday night. Denbyware is to consider the offer at a Board meeting today and will make a further announcement in due course.

Crown House feels that Denbyware would be a logical extension to its substantial glass interests which cover a complete range of uses. The company considers that it has a "lot to offer the company in marketing their product."

Crown House—which started its life as a rubber planter and grower in Malaysia—is predominantly in mechanical and electrical engineering which accounts for some 80 per cent of its turnover and 51 per cent of its pre-tax profits.

The glassware interests, through its Dema subsidiary, come a close second in importance, contributing 31.5 per cent of profits from a 16.2 per cent contribution to turnover.

The £1.43m profit Crown House made from its glass activities in 1979-80 compares with a group profit of £604,000 made by the entire Denbyware group in that year.

The glass interests take in the Thomas Webb and Edinburgh Crystal high class crystal glassware manufacture and the group is also sole distributor of machine blown glassware manufactured by Glass Bulbs of Chesterfield, handling about 100m pieces per year, of which more than half is exported.

In terms of trading performance the bid comes at a bad time for Denbyware. Hit by the recession and the strong pound the company, which has been rationalising its operations, ran into losses in the first half of the current year.

In the last full year profits were down from £912,000 to £604,000, on sales of £10.7m but in the first half of the current year there was a loss of £48,000 (£64,000 profit).

Sales in money terms in the half-year were virtually static at £4.8m but by volume they showed a fall of 5 per cent, reflecting destocking by retailers.

The company—which has cut its workforce by about a third—was particularly hit in the current year by a sharp increase in redundancy costs from £10,000 to £245,000 and by interest charges 26 per cent higher at £296,000.

North America is an important market for Denbyware accounting for about 37 per cent of the group's sales last year. But the group's largest single market is still the UK and here the recession is badly affecting sales. Until the economic climate improves the company is not expecting any significant improvement.

The company has cut the interim dividend from 2.1125p to 1p per share.

Evered again says accept bid

Mr. J. D. W. Field, vice-chairman of Evered, has written to shareholders repeating the board's recommendation to accept the 22p-a-share offer from Francis Industries.

His letter follows a circular sent out at the end of last week by a group of Saudi Arabian shareholders who have built up a 29.96 per cent stake in Evered and are urging other shareholders to follow their example and reject the bid.

Mr. Field points out that "large investors like the Saudi Arabian shareholders may be prepared to take a particularly long-term view, but in the present state of the economy it is becoming more, rather than less, difficult to predict when there will be an upturn in demand for the company's products."

The Saudis bought 17.94 per cent of their holding at an average price of 24.91p a share, nearly 3p above Francis' offer.

A 7.6 per cent stake has also been purchased through nominee company Investat (a subsidiary of brokers Hoare Govett) at prices above the offer price. The ultimate holder is unknown.

The Saudis have made it clear that they do not intend to make a rival offer for Evered but they wish to take a more active role in its affairs. They say that through their connections in Saudi Arabia they will be in a position to expand the company's business during the next few years.

The Evered board, however, say that "the best interests of shareholders and employees alike would be served if Evered becomes part of Francis." The directors have accepted in respect of their own holdings amounting to 4.2 per cent.

Institutions join DPCE UK in Datronics deal

UK FINANCIAL institutions are combining with the management of the UK division of DPCE Pty to buy the British and Dutch activities from Datronics Group, an Australian concern, for nearly £2m.

Led by Candover Investments and Thompson Clive Finance, the institutions involved in the deal are Electra Investment Trust, BP Pension Fund, British Rail Pension Fund, ICFC, Lazard Investments, Murray Clydesdale Investment Trust, and Prudential Assurance. Barclays Bank is also providing a loan facility.

Datronics, which distributes business computers and is listed on the Sydney Stock Exchange, set up DPCE's UK division in 1976 to provide third party maintenance engineering under contract to users of large real-time computer systems.

The UK management will have a substantial minority stake in the operation, which has contracts throughout the UK and Holland, including national airlines and government installations.

GUINNESS PEAT

GUINNESS PEAT GROUP has acquired an 80 per cent interest in H F Staiger Inc., through its wholly owned U.S. subsidiary Lewis and Peat, Inc.

Staiger, a company engaged in the importation and distribution of natural and synthetic rubber to the north American market, is based in New York. The consideration for the acquisition of Staiger amounted to $400,000, based on the net asset value of the company at December 31, 1981.

RIT reduces New Court stake to 1.5%

RIT has sold 3m of its 3.3m shares of New Court Natural Resources, reducing its stake from 16.5 per cent to 1.5 per cent.

Share of New Court, which invests in U.S. oil and gas properties, fell 4p to 86p on the Unlisted Securities Market on Tuesday, when the shares were sold, and a further 3p yesterday.

RIT said it preferred to make its oil and gas investments directly in the future rather than through owning shares in other companies. Mr. Francois Mayer, managing director, has been asked to remain a director of New Court and is expected to do so. Two directors of N. M. Rothschild and Son are also directors of New Court but friction between the two Rothschild family groups has been denied.

Energy Capital £0.4m land deal in Utah

Energy Capital, the UK company partly owned by NCC Energy, has purchased, through its U.S. subsidiary, 102,000 acres of exploration land in Utah for $1.1m (£440,000). In addition, Mr. Graham Ferguson Lacey has taken over as chairman of Energy Capital from Mr. Gerald Ward, who remains on the board.

The Utah acreage is being acquired from Dr. Paul Temple, an Energy Capital director. Meanwhile, subject to this deal being approved by a special meeting at which only independent shareholders will vote the Energy Capital offshoot also plans a public issue of shares in the U.S. to raise $6.1m net of expenses.

This will be by a placing of 40 per cent of its shares and may lead to them being traded on the U.S. over-the-counter market.

Mr. Lacey said yesterday, that the proceeds of the placing would be used to acquire "interests in presently unidentified exploration and production properties" in the States. He claimed the purchase price of the Utah acreage was $900,000 lower than its valuation by an independent consultant.

NCC Energy, which owns 29.5 per cent of Energy Capital, plans to further develop its U.S. oil and gas interests in the near future.

MITCHELL COTTS REORGANISES IN ZIMBABWE

MITCHELL COTTS, the transport and engineering group, has transferred control of its Zimbabwean operations from South Africa to the British parent company.

Several other companies whose Zimbabwean investments were controlled by South African-based companies during the period of sanctions against Rhodesia have also moved control to other countries.

Mitchell Cotts said that "in order to adapt to prevailing conditions in Zimbabwe," a new Salisbury-based company has been created which is 51 per cent-owned by the Mitchell Cotts Group (London). The remaining shares are held by Mitchell Cotts (South Africa) which continues to have management responsibility for the Zimbabwean operation. Mitchell Cotts (South Africa) is 72 per cent-owned by Mitchell Cotts UK.

Mitchell Cotts UK is to pay its South African subsidiary R1.27m for its stake in the new Zimbabwean company. The South African company in turn has declared a bonus interim dividend of 12 cents per share.

In its latest annual report, Mitchell Cotts South Africa said that the company's Zimbabwean operations had "despite the internal unrest, achieved exceptional results."

SHARE STAKES

English and International Trust—Equitable Life Assurance Society and its subsidiary, University Life Assurance Society holds 820,606 ordinary shares (8.1 per cent).

Unilever—Commercial Union Assurance has acquired £100,000 1st preference stock making holding £320,000 (9.14 per cent).

Cawdaw Industrial Holdings—Ferguson Industrial Holdings have acquired a further 25,000 ordinary shares and now own a total of 535,000 ordinary shares (10.52 per cent).

Tranwood Group — Mr. E. Carmeli now holds 550,000 ordinary shares (5.72 per cent).

Sumrie Clothes — Mr. Harvey M. Ross has increased his holding to a total of 225,000 shares (9 per cent).

'Take no action' —London Sumatra

LONDON Sumatra Plantations has told its shareholders to take no action on an offer made for the group by Harrisons and Crosfield.

H and C, the plantations group, last Friday announced that it was making an offer for the outstanding 53.4 per cent of the equity of London Sumatra which it does not already own.

The offer for the outstanding equity, a share exchange bid with H and C offering London Sumatra shareholders 463 of its own shares in return for 1,000 shares in London Sumatra, was underwritten for cash by H and C advisers, Baring Brothers. That placed a value of £28.4m on the 46.6 per cent holding which H and C did not own.

The bid had been made after RIT Limited, formerly Rothschild Investment Trust, S.A. Sipef, N.V., a listed Belgian plantation company principally operating in Indonesia, and a wholly-owned subsidiary of McLeod Russel, a plantation company, all shareholders in London Sumatra, made an approach to sell their combined stake. In aggregate they hold a shareholding of 20.37 per cent of London Sumatra's shares.

Mr. John McLeod, a London Sumatra director, described yesterday's letter to shareholders from London Sumatra as a "holding statement."

He added: "We will be contacting them again depending on what Harrisons' offer document says."

He said that London Sumatra had not decided on its formal position—whether it should recommend the deal to shareholders or reject the offer.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals.

TODAY

Interims—English Association, Sime Darby Berhad, Smith Bros., Throgmorton Secured Growth Trust.

Finals—Adams and Gibbon, Anglo American Coal Corporation, Associated Fisheries, Goode Durrant and Murray, Marchwiel, Newbold and Burton, Scotish Eastern Investment Trust, William Whittingham.

FUTURE DATES

Interims—	
Elder Smith Goldsbrough Mort	Mar. 3
Medminster	Feb. 24
Mitchell Cotts	Mar. 5
Finals—	
Bensfords	Feb. 25
Braime (T. F. and J. H.)	Feb. 25
English and Scottish Investors	Feb. 23
General Mining Union Corpn.	Mar. 5
Hoover	†Feb. 23
Isle of Man Enterprises	Mar. 2
Midland Bank	Mar. 2
Temple Bar Investment Trust	Feb. 23
Unilever	Mar. 3
Unilever NV	Mar. 3

† Amended.

Ashley closure details

Ashley Industrial Trust has spelled out the details of the closure of the Barking plywood factory and Mr. C. P. Choularton, the chairman, confirms that "it is now clear that only a minor reduction will occur in the net asset value of Thames Plywood" as a result.

The land and property at aBrking, which was in the books at £450,000, is to be sold to a subsidiary of Fairview Estates for £825,000. All plant and other fixed assets have already been sold at prices above book values. Redundancy costs of £264,000 are slightly below budget, but a further £60.00 may be payable as directors' compensation.

Following the sales, the board believes there is some possibility of resuming manufacture "in a smaller, more efficient unit" which might be capable of annual sales of £400,000.

Other acquisitions are actively being sought which would absorb the "terminal liquidity" of £742,500 arising from the property sale. This money will be placed in the short-term money markets until utilised.

The chairman believes that the current year to end April will see increased turnover but "in the present economic climate it is impossible to look into the future with any certainty." As known, profits for the six months to October 30, excluding Thames Plywood, were £33,000 higher at £166,000. The interim dividend was increased from 1.2p to 1.5p and for the full year 3.5p will be paid compared with 3p last year.

WOLSTENHOLME RINK PURCHASE

Wolstenholme Rink has acquired Procter Johnson and Co. for £169,000 cash.

Procter Johnson grinds and blends pigments which are supplied mainly to the cement industry. As well as selling in the home market, it has an active export business, especially in the Middle East.

This acquisition is seen as an addition to the existing business of H. Haeffner and Co. (a wholly owned subsidiary of Wolstenholme), and the two companies will work closely together.

Companies and Markets

MINING NEWS

Beisa start-up in second half

BY KENNETH MARSTON, MINING EDITOR

THE Gencor group's gold and platinum holding company, UC Investments, expects this year to provide a further R11m (£6.25m) for the new Beisa uranium-gold mine in the Orange Free State.

This will be no undue burden on UCI which at end-1980 held distributable reserves of R25m following a year in which net profits more than doubled to R37.6m and R29.2m was paid out in increased dividends.

In his statement with the UCI annual report the chairman, Mr H. A. Smith, adds that Beisa is still expected to reach production in the second half of this year, about a year ahead of schedule.

By the end of 1980 R99m had been spent on the new mine and commitments in respect of contracts placed totalled R126m. Amounts approved in addition to commitments were R525m but estimates were that the mine would be brought to production at a level of expenditure below these figures.

At December 31 the market value of UCI's investments amounted to R383.1m, some 50 per cent above that of a year previously, while net assets equalled 1,969 cents (£11.19) per share. Because of the recent fall in gold and platinum share prices, the portfolio value at January 31 had come back to R307.9m.

In view of the uncertainties facing prices of precious metals Mr Smith does not venture any forecast of 1981 results. But commenting on the weaker gold price he says, "those waiting in the wings are nevertheless very aware that the price is potentially volatile and a crisis demand could be unleashed with very little warning." UCI shares were 475p yesterday to yield just under 20 per cent.

Nevada gold mine on stream

THE PINSON open-cast gold project in Nevada has started operations right in line with its forecast, with production starting in January and the first gold bar being poured during the first week of February, reports John Soganich from Toronto.

The 1,600 tonnes a day mine is owned by the Canadian companies Rayrock Resources with 26.5 per cent, Lacana Mining 26.25 per cent and United Siscoe Mines 26.25 per cent, with the balance owned by the geological and engineering group which was assembled for the project.

Construction of the mine was completed in just under a year at a cost of U.S.$15.5m ([illegible]) with most of this coming from a loan fro mthe Royal Bank of Canada.

At a gold price of $500 per ounce, operating profits should be sufficient to retire the bank loan and provide about $2m for a heap-leach operation, all within a period of about 18 months, according to Rayrock.

Construction of the leach facilities, to treat ore which is too low-grade for mill feed, is scheduled to start during the second quarter of this year.

Ore reserves at Pinson are estimated at 3m tonnes, with an average grade of 5.73 grammes of gold per tonne. This suggests a life for the operation of nine years.

In addition to that, there are 5m tonnes of the low-grade heap-leach material, plus further reserves at the Preble deposit which will be trucked 12 miles to the Pinson mill.

Silvermines to acquire stake in Kinsale gas

THE Dublin-based natural resources and industrial group, Silvermines, is paying U.S.$5.75m (£2.53m) to acquire Cambridge Royalty Company (CRC) of Houston's 24.7 per cent royalty interest in the Marathon Oil concession off the south coast of Ireland.

The Marathon concession, encompassing 2.4m acres, contains the Kinsale Head gas field, which has estimated reserves in excess of one trillion cubic feet of natural gas.

Silvermines will also acquire 50 per cent of CRC's share of the royalty related to the currently non-producing remainder of the Marathon acreage.

Silvermines also announced the placing of 775,000 shares in Aran Energy at a price of £4.30 (£3.15) per share, thereby raising some £2.44m. The sale of the Aran shares reduces Silvermines' holding in Aran Energy to approximately 10.26 per cent. Silvermines remains the largest shareholder.

The royalty entitles its holders to receive not less than 2 per cent and not more than 5 per cent of the gross value of production with the precise amount to be computed, within those limits, at 10 per cent of the operator's net profits as defined by the original concession agreement with the Irish Government.

Two production platforms of seven wells each are in place in the Kinsale Head gas field. Marathon Petroleum (Ireland) is the operator of the field and began continuous delivery of gas in October, 1978, to the Irish Gas Board.

Silvermines is looking for a continuing cashflow from the royalty for the next 20 years and believes that the future potential benefit to the company from increased cash flow will be significant

There is also the possibility of further hydrocarbon discoveries being made in the concession area. Following the news Silvermines' shares were 7p up at 117p in London yesterday, while Aran Energy were 5p lower at 340p.

QUE RIVER MINE IN PRODUCTION

Production of silver-lead-zinc ore has started at Que River Mine in Tasmania of Aberfoyle and Paringa. Deliveries of ore to the Rosebery concentrator of EZ Industries will be limited to 2,000 tonnes a week pending the completion of new facilities at the concentrator.

These are not expected to be finished until late-April, after which deliveries of Que River ore will rise to between 3,000 and 4,000 tonnes per week. The mine's ore reserves are put at 3m tonnes grading 7 per cent lead, 12.5 per cent zinc and 171 grammes per tonne silver. In addition there are a further 3m tonnes of less well defined ore.

More claims granted to Consolidated Modder

THE SOUTH AFRICAN Government has granted a total of 3,750 additional precious metal claims to Consolidated Modderfontein Mines (CMM), a new company which groups several former gold mines in the East Rand.

CMM was put together at the beginning of this year, and represents a merger between the former South African-quoted company Government Gold Mining Areas, the unquoted Modderfontein 74 and mining rights held by Mr Lucas Pouroulis.

These mining rights include the old Modderfontein Deep Levels and New Modderfontein mines, which adjoin the land owned by Government Gold Mining Areas. The new claims are also adjacent to GGMA, and include part of Brakpan, New State Areas, Geduld and Modderfontein B.

The only other significant area which Mr. Pouroulis hoped to add to CMM was Van Ryn Deep, to the north of Brakpan, and negotiations over this claim are still going on.

CMM said that the claims granted this week will give it additional flexibility in pursuing its expansion programme, and contain reef horizons not previously exploited. The company [illegible] [illegible] 4 [illegible]

The [illegible]

GAS DISCOVERY

The North Paaratte No. 2 [illegible] the Otway Basin in Victoria has flowed on test at a rate of 10m cubic feet of gas a day, according to Beach Petroleum.

North Paaratte 2 was drilled to a target depth of 1,603 metres and is located 1.6 km east of the North Paaratte 1 well which also recorded substantial gas flows.

Beach Petroleum says further tests will have to be carried out before the calculation of reserves can be made. Beach, Hudbay Oil (Australia) and Fuel Exploration each hold a one-third interest in the area.

Change Wares suspended pending reconstruction

Shares of Change Wares, the less-making steel shelving and stockholding group, were suspended yesterday at 5p pending another financial reconstruction which is likely to take several weeks to finalise.

The reconstruction, in turn, depends on the figures for the full year to December 31, which will not be available for another 10 days to two weeks. These are almost certain to show continuing losses.

In 1979 pre-tax losses were £1.12m and at the annual meeting Mr Harold Chaffe, the chairman, said shareholders should not be encouraged to expect profits this year.

The proposals now being worked out by Samuel Montagu, Change Wares' advisers, involve "increasing the company's equity base so as to provide additional funds for its future development."

The plan, "which will also involve a reconstruction of the existing share capital" requires shareholders' approval at a special meeting yet to be called.

In 1978, when Mr. Geoffrey Rose took over as chairman, the company raised just under £1m by way of a rights issue and made a significant acquisition. Following this Mr. Rose claimed that Change Wares was "now fully restored to health."

A year later in January 1980, Mr Rose and his American associates sold out of the company and the current Board was appointed.

The results for 1979 were not published until September.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.280	1	14 A	–	–	–	–	F.286
ABN C	F.300	52	4	2	5.50 A	–	–	"
ABN C	F.320	35	1.30 A	12	3 A	–	–	"
AKZO C	F.17.50	127	1.30	23	1.80 B	–	–	F17.90
AKZO C	F.20	–		119	1	6	1.40	"
AKZO C	F.22.50	73	0.20	–	–	–	–	"
AKZO P	F.20	1	2.70	–	–	–	–	"
AMRO C	F.50	5	1.60	–	–	1	2.50	F.55
AMRO C	F.65	10	0.30	–	–	–	–	"
HEIN C	F.55	10	3.30	–	–	1	7.20	F.59.50
HEIN C	F.60		–	66	4.10	3	5	"
HEIN P	F.55	3	1	1	2	–	–	"
HEIN P	F.65	5	6	–	–	–	–	"
HOOG C	F.12.50	2	4.30	–	–	–	–	F.17.60
HOOG C	F.15	50	2.90	–	–	–	–	"
HOOG C	F.17.50	7	0.70	1	1.40	21	2.10	"
HOOG C	F.20	25	0.43	–	–	50	1	"
IBM C	560	5	5	–	–	–	–	562¼
IBM C	565	1	2½	–	–	–	–	"
IBM C	570			1	2½	–	–	"
IBM P	570	1	7½	–	–	–	–	"
KLM C	F.55	5	19.50A	–	–	–	–	F.73.40
KLM C	F.60	20	14.20	1	15 A	–	–	"
KLM C	F.65	5	9.50B	–	–	–	–	"
KLM C	F.70	32	5.40	54	8	3	9	"
KLM P	F.60	10	0.40B	1	1	–	–	"
KLM P	F.65	29	1.40	–	–	–	–	"
KLM P	F.70	22	3.50B	4	4.50B	–	–	"
NATN C	F.120	21	8	3	9.50	–	–	F.126
NATN C	F.125	17	4.20	5	6	–	–	"
PHIL C	F.15	14	3.70	15	3.50	100	4.20	F.18.50
PHIL C	F.17.50	73	1.60	43	2	105	2.30	"
PHIL C	F.20	176	0.60	137	0.90	343	1.20	"
PHIL P	F.[illegible]			3	0.50	–	–	"
PHIL P	F.17.50	10	0.50B	40	0.80	95	0.90B	"
OLIE C	F.170	6	32	–	–	–	–	F.200.50
OLIE C	F.180	53	23B	–	–	–	–	"
OLIE C	F.190	25	13.70	–	–	–	–	"
OLIE C	F.200	194	9.50	22	13B	10	18	"
OLIE C	F.220	201	4.20	52	4.30B	–	–	"
OLIE C	F.240	180	0.40	55	2.40	–	–	"
OLIE P	F.180	112	2.90	–	–	–	–	"
OLIE P	F.190	17	2.50	52	5.60	–	–	"
OLIE P	F.200	154	5	49	11.50	7	14	"
OLIE P	F.220	35	21.50A	–	–	–	–	"
OLIE P	F.240	–	–	5	43	–	–	"
UNIL C	F.120	4	9.50	5	11	–	–	F.127.90
UNIL C	F.130			21	5	2	6	"
UNIL C	F.135	30	2.40	–	–	–	–	"
UNIL P	F.125	1	1.50	10	4	–	–	"
XERO C	360			5	4½	–	–	358½
		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	
BOEI C	375		–	5	3½	–	–	355¾
BOEI C	340			–	–	2	5	"
BOEI C	360			1	7½	–	–	"
BOEI P	350			2	2½	–	–	"
BOEI P	360			3	4½	–	–	"
MANN C	DM [illegible]	–	–	5	1.50	20	3.50	DM124
OCCI C	$30	11	⅛	23	2⅛	–	–	$29¼
SIEM C	DM 250			1	5	–	–	DM247.50
SLUM C	$100	1	5	5	11½	–	–	$105½
SLUM C	$110	4	4	–		1	11	"
SLUM C	$130			–		3	3½	"
VW C	DM.150			–	–	10	5	DM146

TOTAL VOLUME IN CONTRACTS 3672

A=Asked B=Bid C=Call P=Put

ISSUE NEWS

£3.5m tender by Mid-Sussex

Mid-Sussex Water Company is offering £3.5m of redeemable preference stock by tender.

The stock carries a coupon of 6 per cent and a minimum price of £100, producing a gross redemption yield of 11.428 per cent or 16.67 per cent for those able to take advantage of franked investment income. It is redeemable at par on February 24, 1986.

The stock is denominated in amounts of £100 and applications, accompanied by a £10 deposit per £100 nominal, must be received before 11 a.m. on February 25.

The first dividend, amounting to £2.768 per £100 of stock, will be payable on August 24, 1981 and thereafter dividends will be payable half-yearly on February 24 and August 24 of each year.

Brokers to the issue are Dennis Murphy, Campbell and Co.

● comment

The Mid-Sussex offer is being made on the same terms as a £4m offer from Bristol Waterworks Company last week. Demand for water issues has been strong in recent months and it was expected that tenders of at least £102 would be necessary for the Bristol offer. Potential tenderers for Mid-Sussex will have the advantage of being able to see exactly how large tenders for Mid-Sussex had to be to win an allotment as results are to be announced today. But the forecast of at least £102 minimum for mid-Sussex too stands until then.

RIGHTS ISSUES ACCEPTANCES

The recent issue by way of rights of £9m in 9¼ per cent convertible unsecured loan stock by Portals Holdings has been accepted as to 95 per cent.

Acceptances have been received in respect of 94.78 per cent of the one-for-eight rights issue by Hampton Trust to raise £330,000.

Acceptances have been received in respect of 94.7 per cent of the 19.36m shares of Norcros offered in a one-for-four rights issue last month to raise £11.6m.

Yearlings total £9.75m

Yearling bonds totalling £9.75m at 12 per cent redeemable on February 24, 1982 have been issued this week by the following local authorities:

Bury Metropolitan BC (£0.5m); Salford (City of) (£0.5m); Cleveland CC (£1m); Wakefield (City of) Metropolitan DC (£0.5m); Metropolitan Police District (The Receiver For The) (£0.5m); Sandwell (Metropolitan Borough Of) (£1m); Stirling DC (£0.5m); Camden (London Borough Of) (£1.5m); Epping Forest DC (£0.5m); Kingston Upon Hull (City Of) (£1.5m); South Wight BC (£0.25m); Cleveland CC (£1m); Stafford BC (£0.5m).

A total of £0.75m of 13¾ per cent bonds at par redeemable on February 12, 1986 have been issued by Lochaber DC (£0.25m) and West Derbyshire DC (£0.5m). Also £0.75m of 13¾ per cent bonds at par redeemable on February 16, 1983, have been issued, comprising of Winchester (City Of) (£0.5m) and Strathkelvin DC (£0.25m).

Trevian

Trevian Properties has raised £1.2m through a placing of debenture stock and ordinary shares to expand its commercial property development business.

The placing was arranged by M. J. H. Nightingale and Co.

Eleco profits hold up well in first six months

IN THE first six months ended December 31, 1980, profits of ELECO Holdings "have held up well," amounting to £773,000, against £810,000 in the comparable period. But because of the deepening recession, particularly in construction, it is unlikely that the second half will see a repeat of that figure—for the whole of 1979-80 the group produced £1.71m.

Turnover in the first half moved up from £9.9m to £10.36m. The profit was struck after exceptional expenses, including redundancies and closure costs, in excess of £150,000, and took in net rents and interest of £266,000 (£171,000).

The group's principal subsidiaries are engaged in the engineering and construction industries. Although the present trading climate is bleak, every effort is being made to minimise its effects. Moreover, the growth of the property portfolio will, in due time, more than compensate for any downturn in trading profits.

The programme of development of the group's industrial trading sites provides a "reassuring counter" to the setback of trading activities. The prime locations should help to ensure a successful letting outcome and the building operations will provide a regular flow of work for all sections of the construction division.

The interim dividend is held at 1p—the previous final was 2.3p.

UK COMPANY NEWS

Foreign & Colonial assets rise 38%

The Foreign and Colonial Investment Trust Company, one of the biggest U.K. investment trusts, yesterday reported a 38 per cent increase in net assets per share for 1980. Taking price changes at market value these rose from 118.7p per share to 164.4p at December 31.

Investment income was up 18 per cent at £11.3m and a final dividend of 2.44p (1.95p) makes a total for the year of 3.69p (2.95p), an increase of 25 per cent. A one-for-one scrip issue is also proposed.

Mr. Michael Hart, joint manager of the Trust, said some of the improvement was due to the company's £35m borrowings which had mostly been in weakening currencies.

Other factors included the group performance of many of F and C's biggest stocks, such as LASMO, BTR and General Electric.

At the year end roughly 55 per cent of the portfolio was invested in the UK, a further 20 per cent was committed both to the U.S. and Japan, with the balance mostly in Australia.

This spread reflected an increase in the exposure to Japan over the period, and a compensating reduction in the U.S.

After management expenses and interest of £4.15m (£3.28m), tax £2.74m (£2.48m) and preference dividends of £94,000 (same), the amount available came through at £4.33m against £4.28m, of which the ordinary dividend will absorb £4.84m (£3.87m).

Earnings per share are shown as 3.76p compared with 3.26p.

Total net assets, as at December 31, amounted to £246.15m (£189.68m).

Derby Trust wary over investing more in Canada

THERE IS no great incentive to increase exposure to the Canadian market, says Mr. David Montagu, chairman of Derby Trust. In his annual statement he says it is hard to imagine a more damaging Budget than the one which was introduced by Mr. Trudeau's Government last autumn.

Nevertheless, he says, the long-term future of the country remains excellent although until a measure of political good sense is restored there appears no great incentive to increase exposure to this market.

The decision to invest in Japan confirms the belief that Japanese industry is more capable of coping with the rise in energy costs than their competitors. He thinks that both their stock market and their currency will continue to outperform the majority of other industrial economies for the foreseeable future.

He adds, however, "While we do not intend to overemphasise this sector of the portfolio, we shall be adding to it as and when appropriate opportunities present themselves."

The outlook for Australia and the Far East continues to be good although the current levels of the stock markets in those areas seem to discount quite a lot of the good news which lies ahead.

As reported on January 27, pre-tax revenue of the trust improved from £801,864 to £948,754 in the 12 months to December 31, 1980. Shareholders' funds stand at £17.46m (£12.99m). Debtors total £78,265 (£25,763), and cash and deposits amount to £899,139 (£436,409).

Meeting, Portman Hotel, Portman Square, W, March 12, at noon.

MORSINA RAISES STAKE IN PENINE

Morsina, a subsidiary of the privately owned Savings and Investment Bank, based in the Isle of Man, has raised its stake in Pennine Commercial Holdings to 5.35m shares, or 16.4 per cent.

Morsina bought an additional 2.75m shares and has told Pennine, which is engaged in property and motor distribution, that it sees its holdings as a long-term investment.

Last December, Pennine bought 12 petrol filling stations from Morsina in a deal worth £600,000.

LONDON TRADED OPTIONS

(Feb. 18 Total contracts 290)

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	460	5	2	13	—	—	—	390p
Com. Union	160	4	7	7	—	13	—	147p
Cons. Gold	460	20	—	33	1	40	—	433p
Cons. Gold	500	—	—	17	—	22	2	"
Courtaulds	60	3½	4	13	—	15	—	56p
GEC	550	90	—	115	—	132	2	633p
GEC	600	35	—	78	2	98	—	"
GEC	650	12	1	48	—	68	—	"
Grand Met.	160	8½	40	17	2	21	—	166p
Grand Met.	180	3	—	6½	15	10	—	"
ICI	300	15	—	28	—	38	10	292p
ICI	330	6	—	15	5	—	—	"
ICI	360	2	22	6	—	—	—	"
Land Sec.	300	25	2	34	1	47	—	395p
Land Sec.	330	9	25	19	5	31	—	"
Marks & Sp.	100	24	10	—	—	—	—	121p
Marks & Sp.	120	5	4	13½	1	19	—	"
Marks & Sp.	130	2½	—	6½	—	11	—	"
Shell	460	4	—	13	1	22	—	398p
Totals			118		51		15	
		February		May		August		
Imperial Gp.	80	1	7	3½	—	4½	—	78p
Lasmo	650	8	—	52	2	88	—	632p
Lasmo	750	¼	—	15	6	38	—	"
Lonrho	90	—	—	16	—	19	5	101p
Lonrho	100	—	—	9	12	13	6	"
Lonrho	114	¼	6	—	—	—	—	"
Racal Elec.	280	61	50	70	—	80	—	341p
Racal Elec.	330	12	31	32	—	47	—	"
Racal Elec.	360	½	—	18	—	31	2	"
RTZ	414	4	—	23	1	—	—	403p
Totals			94		20		12	

BASE LENDING RATES

A.B.N. Bank	14 %	■ Hambros Bank	14 %
Allied Irish Bank	14 %	■ Hill, Samuel	§14 %
American Express Bk.	14 %	C. Hoare & Co.	†14 %
Amro Bank	14 %	Hongkong & Shanghai	14 %
Henry Ansbacher	14 %	Keyser Ullmann	14 %
AP Bank Ltd.	14 %	Knowsley & Co. Ltd.	16 %
■ Arbuthnot Latham	14 %	Langris Trust Ltd.	14 %
Associates Cap. Corp.	14 %	Lloyds Bank	14 %
Banco de Bilbao	14 %	Edward Manson & Co.	15 %
BCCI	14 %	Midland Bank	14 %
Bank of Cyprus	14 %	■ Samuel Montagu	14 %
Bank of N.S.W.	14 %	■ Morgan Grenfell	14 %
Banque Belge Ltd.	14 %	National Westminster	14 %
Banque du Rhone et de la Tamise S.A.	14½ %	Norwich General Trust	14 %
Barclays Bank	14 %	P. S. Refson & Co.	14 %
Beneficial Trust Ltd.	15 %	Rossminster	14 %
Bremar Holdings Ltd.	15 %	Ryl. Bk. Canada (Ldn.)	14 %
Brit. Bank of Mid. East	14 %	Slavenburg's Bank	14 %
■ Brown, Shipley	14 %	E. S. Schwab	14 %
Canada Perm't Trust	15 %	Standard Chartered	‖14 %
Cayzer Ltd.	14 %	Trade Dev. Bank	14 %
Cedar Holdings	14 %	Trustee Savings Bank	14 %
■ Charterhouse Japhet	14 %	Twentieth Century Bk.	14 %
Choulartons	14 %	United Bank of Kuwait	14 %
C. E. Coates	14 %	Whiteaway Laidlaw	14½ %
Consolidated Credits	14 %	Williams & Glyn's	14 %
Co-operative Bank	*14 %	Wintrust Secs. Ltd.	14 %
Corinthian Secs.	14 %	Yorkshire Bank	14 %
The Cyprus Popular Bk.	14 %		
Duncan Lawrie	14 %		
Eagil Trust	14 %		
E. T. Trust Limited	14 %		
First Nat. Fin. Corp.	16½ %		
First Nat. Secs. Ltd.	16 %		
Robert Fraser	14 %		
Antony Gibbs	14 %		
Greyhound Guaranty	14 %		
Grindlays Bank	‡14 %		
■ Guinness Mahon	¶14 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month 11¾%. Short term £4,000/12 months 13.35%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £50,000 12%, and over £50,000 12½%.
‡ Call deposits £1,000 and over 11½%.
¶ 7-day deposits 12%.
§ Demand deposits 12%.
‖ 21-day deposits over £1,000 13%.

Progress for U.S. Debenture

Attributable profit of the United States Debenture Corporation increased from £3.28m to £3.94m in the year to January 31, 1981. Gross revenue rose from £5.59m to £6.48m.

Debenture interest again accounted for £101,250, but loan stock interest was lower at £20,295 (£31,963). There was a reduction in management expenses from £355,789 to £305,246. Tax charged on franked income was £1.53m compared with £1.3m, and Corporation Tax was substantially higher at £228,963 (£265,667), but overseas tax was fractionally lower at £162,217 (£163,643). Dividends on preference capital was unchanged at £88,743.

Stated earnings per 25p share improved from 4.81p to 5.75p, and net asset value per share is given as 133.6p (118.9p). The final dividend is raised from 2.78p to 3.58p for a total of 5.58p (same, including special dividend of 0.8p).

FIRST SCOTTISH AMERICAN TRUST

Revenue of the First Scottish American Trust improved from £1.34m to £1.44m for the year to February 2, 1981, after tax of £732,081, against £653,092.

Earnings per 25p share rose slightly from 4.58p to 4.57p, while the dividend total is increased to 4.55p (4.2p) net, with a final of 3.25p.

Net asset value per share climbed from 121.4p to 147.2p.

LONDON AND LOMOND

Net revenue of London and Lomond Investment Trust for the year ended December 31, 1980 was £786,555 compared to £609,233 after tax of £372,556 against £391,977 for 1979.

The final dividend is 2.3p for a total of 3.8p (4.1p, including a special dividend of 0.7p). Earnings per 25p share were 4.16p (4.28p), with net asset value per share up 29p to 130p.

The comparative earnings figure includes non-recurring dividends from a number of companies previously restricted by government legislation from declaring higher dividends.

MELDRUM

Revenue of Meldrum Investment Trust rose in 1980, from £671,994 to £761,390 after all charges including tax, £64,321 higher at £374,942. Gross revenue improved from £1.05m to £1.22m.

A final dividend of 2p (1.75p had been forecast) brings the total up to 3.25p net. Last year's total was 3p, which included a special payment of 0.5p. Dividends for the year absorb £655,300 (£604,800).

Stated earnings per 25p share improved from 3.33p to 3.78p and total assets at market value were £18.46m (£13.83m) giving net assets per share of 91.6p (67.4p).

Meldrum is a subsidiary of British and Commonwealth Shipping Company.

GENERAL CONSD

Revenue of General Consolidated Investment Trust increased from £1.52m to £1.8m, subject to tax of £624,943 against £521,210, for 1980, and the dividend is stepped up to 5.9p net with a final of 3.65p—last year's total was 5.53p which included a non-recurring special of 0.43p.

Earnings per share are shown as 6.24p compared with 5.31p, and net asset value is given as 139.6p (112.3p).

GREENBANK TST.

After tax up from £17,982 to £18,986, revenue of Greenbank Trust emerged ahead at £41,420 for the year ended December 31, 1980, compared with £39,163.

Earnings per 25p share are shown as 5.18p against 4.9p and net asset value was 111.75p (92.25p) at the year end.

In view of the proposed offer by Malton Financial Services, to which shareholders with 51 per cent of the share capital are already committed, a decision on the dividend for the year is being deferred until the new board has taken control—last year's payment was 4.2p.

YEOMAN INV.

Pre-tax revenue of Yeoman Investment Trust improved from £1m to £1.22m for 1980, and the dividend is lifted to 12.75p, with a final of 7.75p, compared with 11.8p previously, which included a special 1.05p.

Also proposed is a one-for-one scrip issue.

After tax of £395,424 against £320,397 stated earnings are 13.38p (11.11p) per share and net asset value is given as 307.1p (251.4p).

UPDOWN INV.

Net income of the Updown Investment Company emerged ahead from £37,063 to £94,023 for 1980, after tax down slightly at £43,176 against £44,577.

And from earnings per 25p share of 2.35p (2.18p) the dividend is increased to 2p net compared with 1.75p. Net asset value is given as 114p (77p) at December 31.

WEST COAST

Revenue of the West Coast and Texas Regional Investment Trust was unchanged at £52,793, against £52,763, for 1980, after tax down slightly at £37,868 compared with £41,020.

Earnings per 10p share are unchanged at 1.76p but the dividend is increased from 1.28p to 1.3p net.

Ian Hargreaves in New York and **Charles Smith** in Tokyo report on IBM's move into the small-copier market

Japanese stalking horse for IBM

THE DECISION by International Business Machines to start selling in the U.S. desk-top photo-copiers made by Minolta Camera of Japan is abundantly logical in one respect, but quite puzzling in another.

The logic lies in that the Japanese already dominate this lower end of the plain paper copier market, in which machines retail for between $3,000 and $5,000.

Last year the Japanese, led by Ricoh, Canon, Sharp, Toshiba and Minolta a relative newcomer to copiers, probably claimed about 80 per cent of this market.

So in going for a piece of this action, IBM is merely accepting that it cannot manufacture more cheaply than its Far Eastern competitors and is in effect setting one Japanese company to catch the others. IBM would hope, however, to improve Minolta's marketing and increase sales, estimated last year at $100m.

But that simple analysis leaves out a number of crucial details, notably the strategy of Xerox.

Last year Xerox announced a major corporate reorganisation designed to out-market the Japanese by opening up Xerox retail shops and increasing its sales force, as well as making more products available.

Mr. Brian Fernandez, an industry analyst with First Manhattan, estimates that these changes will this year raise Xerox's share of the market from about 18 per cent to at least 45 per cent, involving the sale of more than 100,000 machines.

The main casualties will be the Japanese, both the direct importers and Savin corporation of the U.S., which raised itself into the number two position in the market primarily by selling Japanese hardware—a situation which is in the process of changing as Savin goes into manufacturing. Ricoh of Japan is Savin's main supplier, but the link will end in 1983. Ricoh alone probably accounted for 35 per cent of the low price copier market in the U.S. in 1979.

But IBM is, says Mr. Fernandez, doing more than entering a market at a time when the industry leader—Xerox—is pulling no punches in its determination to assert authority, it is doing so with a machine which is almost obsolete.

The IBM model 102, whose launch was announced on Wednesday, is the Minolta model 310, with an IBM name tag. Minolta is already selling its 310, fairly successfully, for about $3,500.

In order to clear the decks for the IBM agreement, Minolta's dealers have apparently already started a "mad March" clearance sale designed to clear out stocks of the Minolta 310.

What IBM did not say on Tuesday, is that Minolta is also preparing to launch its model 320, which for a price very close to that o fthe 310 will offer 18 copies a minute and fibre optic design, against 12 per minute and conventional design for the 310, alias IBM model 102.

So why is IBM doing it? "That's what has got everyone puzzled," says Mr. Fernandez, in a comment one often used about the secretive IBM.

The best guess is that the deal with Minolta is merely to test the water for future links said to revolve around IBM distribution of more sophisticated Minolta machines, such as copy size reduction machines, duplicators or higher speed models.

In the meantime, however, IBM is not expected to suffer any ill consequences of its new Japanese connection. Mr. Fernandez estimates that it can buy the Minolta 310 from the Japanese company for about $1,000 a machine, giving it a sizeable mark-up to the approximately $3,500 retail price.

It would seem Minolta would not have agreed to that if it had not already written the 310 out of its own U.S. strategy anyway or if it were not more interested in the long-term value of a joint venture with the world's largest computer company.

For IBM, the Minolta connection is the second instance of the U.S. company shipping Japanese goods for sale under its own name in the U.S. In 1979, it struck a deal with Toshiba to supply hand held dictation machines. Whether this provides a hint of an aspect of IBM's own strategy is, as ever, a mater of guesswork.

For Minolta, meanwhile, its diversification into copiers from its base as a camera manufacturer ranks as one of the major Japanese business success stories of the past year—although its final chapter still has to be written.

The company's camera sales have been marking time in recent years, apparently because of a lack of new models, but copier production began to grow by leaps and bounds after the completion of a new factory at the end of 1979 it will grow faster still from the middle of 1981 when existing capacity is almost doubled.

The arrangement with IBM, which follows several months of talks between the two companies is a feather in Minolta's cap leaving bigger fish in the Japanese copier industry (such as Canon and Ricoh) feeling somewhat envious.

A key to the company's success seems to have been the development of home grown "microtoning" technology which both improved the image of the copy and simplified machine maintenance.

Aetna Life earnings trimmed by price cuts

By Our New York Staff

AETNA LIFE and Casualty, the largest U.S. insurance company, suffered a slight drop in profits last year as strong earnings in the company's non-insurance businesses were more than offset by a drop in profits from the mainline business, caused by heavy price cutting pressures.

Aetna said its net profits were $133.8m in the final quarter, compared with £138.2b in the year-earlier quarter. For the year, Aetna's earnings were $508.3m down from $559.5m in 1979. Per share profits were $1.66 against $1.71 in the quarter and $6.30 compared with $6.93 for the year.

Revenues for the year were up by 16 per cent to $13.3bn, of which $10.7bn was premium income—14 per cent up on the year and $2.7bn of investment income, a 28 per cent increase.

Mr. John Filer, the chairman, described the performance as "relatively satisfactory," and said that in spite of competitive pressures, Aetna had continued to experience real growth in all its major sectors, positioning itself for an improvement in the industry's earnings cycle.

The sharpest earnings drop was in Aetna's casualty and property business, where profits dropped by 36 per cent on the year to $174.9m. Profits from the group life insurance sector, health and pensions increased by 4.7 per cent to $140.1m. Profits from the sale of individual life insurance policies were static at $56m.

Mexico drafts fund for foreign investors

BY JOHN MAKINSON IN LONDON AND WILLIAM CHISLETT IN MEXICO CITY

THE MEXICAN Government is adding the final touches to its long-awaited Fondo de Mexico, a closed-end investment fund designed to attract foreign capital, and has already made a draft prospectus available to some of the fund's brokers and underwriters.

The Government is currently testing the likely demand for the fund, which will allow foreigners to invest in a wide range of Mexican companies for the first time. One formula being canvassed in Mexico City this week was a fund of $72m, denominated in shares of $12 each.

The final amount has not yet been decided, however, and Mr. Gustave Petricioli, president of Mexico's Securities Commission, estimates that the offering could total between $80m and $100m.

The offering has still to be approved by the U.S. Securities and Exchange Commission (SEC), which is believed to be anxious that preliminary details of the fund should not be distributed until it has cleared all the bureaucratic hurdles. These have already held up the launch of the fund, which was originally expected late last year.

The scheme has attracted widespread international interest because of Mexico's growing oil wealth. The composition of the fund will be decided jointly by Mexican and foreign advisers, but voting control will remain firmly in Mexican hands. The shares are expected to be placed in North America, Europe and the Far East.

DM and Swiss franc issues recover

By Francis Ghilès

AS THE U.S. dollar weakened yesterday against the D-Mark and the Swiss franc, Eurobonds denominated in these two latter currencies regained some of the ground they have lost during the past few days.

DM bonds gained ½ point on the day in what some dealers described as active trading. A number of bargain-hunters were looking for high-yielding seasoned issues. The 10 per cent ECSC bond to 1991 for the ECSC was oversubscribed and is trading around its issue price of par. Swiss franc bonds gained about ½ points.

In the dollar sector, prices moved up sharply, gaining about ½ points in nervous trading. Most dealers agree, however, that much of the trading is professional, with portfolio investors remaining firmly on the sidelines.

According to some dealers, there are still opportunities to swap Eurobonds for U.S. Treasury or domestic bonds which offer a higher yield. The $75m eight domestic U.S. bond issue for Barclays Credit which was announced yesterday carries a coupon of 14¼ per cent. This offers an annual yield of 15¼ per cent at the price of 99½ it was trading at yesterday.

Such a yield is higher than what can be obtained today on many outstanding Eurobond issues for borrowers of similar quality.

● The interest rate coupon on the $20m 15-year convertible Eurobond for Varco International Finance NV has been set at 8½ per cent with pricing at par by the lead manager, Credit Suisse First Boston, reports Reuter.

The conversion price is $30.50, representing a premium of 9.9 per cent over Monday's share price. The borrower is a subsidiary of the U.S. oilfield servicing company, Varco International.

Issue for BNP attempts to bridge loan-bond gap

BY OUR EUROMARKETS STAFF

A HYBRID instrument to bridge the gap between the syndicate loan and Eurobond markets is being launched by Credit Suisse First Boston for Banque Nationale de Paris.

BNP is expected to raise about $100m for five years in the form of six-month certificates of deposit (CDs) which would carry a margin of about ¼ per cent over the six-month London interbank rate. CSFB and a small group of banks will provide a guarantee to the borrower to purchase whatever amount of CDs, up to $100m (or whatever the finally agreed figure BNP wishes to issue) and renew them every six months for five years.

BNP can decide not to issue any CDs for a certain period if it decides it does not need them or if it considers interest rates to be too high. The CDs will be marketable outside the small "club" of banks which eventually underwrites the deal.

This is not the first time that Credit Suisse First Boston has put together a deal which aims at arbitraging between the fine interest rates obtainable on the money markets and the higher cost of medium-term borrowing. Similar operations have been arranged by the same bond house in the past year for Bancomer, the largest private sector bank in Mexico, and the African Development Bank. Another type of loan bond hybrid was also arranged late last year by Citicorp for New Zealand.

Continued growth at Chesebrough

By Our Financial Staff

A $3M increase in final quarter net profits to $19m left Chesebrough-Pond's, the cosmetics, toiletries and food group, with its 25th consecutive annual profit increase.

The full-year profit was $100.2m, against $82.6m last year, or $3.10 a share against $2.56 a share with the final quarter contributing 59 cents against 50 cents. Sales for the years were boosted to $1.37bn from $1.17bn with the final quarter showing a rise from $301.3m to $347.2m.

Mr. Ralph F. Ward, the chairman, said all seven of the group's divisions reported record earnings and sales, with the Bass International hospital products and Health-tex divisions showing particular strength. A range of new products made major contributions to sales growth while established lines held their market position, he said.

Bache Group profits rise 62% in first six months

BY OUR FINANCIAL STAFF

BACHE GROUP, one of the largest U.S. stockbroking firms has ended the first half of fiscal 1981 with handsome gains despite revenues and earnings slowing in the second quarter. Net earnings for the half year showed a rise of 62 per cent to $25.4m or $2.32 a share, while revenues of $375m had gained 26 per cent over the comparable total.

Bache earns just over one-third of its profits from commissions on securities trading, with a further 26 per cent from interest earnings.

Meanwhile, First City Financial, the investment vehicle of the Belzberg brothers of Canada, announced yesterday that it had paid $5.3m for a further 243,000 shares in Bache, bringing its total stake to 21.1 per cent.

The Belzbergs have been acquiring Bache shares for more than a year. Last month, the Belzbergs said in an SEC filing that they had no intentions at that time of seeking control of Bache but added that they could change that intention in the future "depending on further developments."

The same filing disclosed that the Belzberg's wish to appoint two members to the Bache board had been rejected by the directors of the securities firm. During last year Bache changed its corporate voting structure in order to render a takeover more difficult.

Commenting on the record results for the second quarter and the six months, Mr. Harry Jacobs, chairman and chief executive and Mr. Virgil Sherrill, president, said the results were due to higher revenue from practically all product lines.

Conditions on Abitibi share buying agreed

FEDERAL COMMERCE and Navigation, the Montreal shipping group, will not purchase Abitibi-Price shares up to March 6 unless it gives a day's notice to the Ontario Securities Commission, reports Reuter in Toronto.

Yesterday's OSC announcement comes after an informal meeting of commission officials and counsel for Abitibi and its major shareholders, which was called to discuss protection of Abitibi's minority shareholders and the actions of participants in Abitibi takeover activities.

The commission said that in response to concerns it raised, Federal Navigation had agreed that until March 6 it will not directly or indirectly purchase nor solicit directly or indirectly the purchase by others "of Abitibi common shares unless 24 hours prior written notice is delivered to the chairman or director of the commission.

Columbia buys out Kerkorian

By Our Financial Staff

COLUMBIA PICTURES announced last night that it has agreed to buy out the shares in Columbia held by Mr. Kirk Kerkorian, who has been wanting to merge Columbia with Metro-Goldwyn-Mayer Film in which he holds a stake of 47 per cent.

Mr. Kerkorian and his Tracinda Corporation hold about 2.5m Columbia shares, or about 24 per cent of the total equity.

Columbia said that Mr. Kerkorian's shares would be bought for $37.50 each cash plus $17.50 in a 6 per cent interest bearing note. Columbia shares have been trading at around $38.50 in the stock market.

AMERICAN QUARTERLIES

AMPCO-PITTSBURG	1980	1979
Fourth quarter	$	$
Revenue	79.8m	115 3m
Net profits	3.45m	3 84m
Net per share	0.90	1.00
Year		
Revenue	430.7m	272.2m
Net profits	15 08m	10.08m
Net per share	3.92	2.62

BURNDY	1980	1979
Fourth quarter	$	$
Revenue	62.3m	61 9m
Net profits	5.73m	5.62m
Net per share	0.91	0.90
Year		
Revenue	253 7m	229 8m
Net profits	24.21m	21.44m
Net per share	3.86	3.44

CANADIAN UTILITIES	1980	1979
Year	C$	C$
Revenue	757.6m	625.7m
Net profits	61.6m	51.2m
Net per share	2.37	2.23

CANNON MILLS	1980	1979
Fourth quarter	$	$
Revenue	185.1m	160 0m
Net profits	9.03m	17.61m
Net per share	0.96	1.88
Year		
Net profits	20.63m	41.2m
Net per share	2.20	4.39

ADOLPH COORS	1980	1979
Fourth quarter	$	$
Revenue	180.2m	156.8m
Net profits	2.43m	8.02m
Net per share	0.07	0.23
Year		
Revenue	887 9m	740.5m
Net profits	64.98m	68.45m
Net per share	1.86	1.95

DR. PEPPER	1980	1979
Fourth quarter	$	$
Revenue	80 9m	65 6m
Net profits	6.63m	5.59m
Net per share	0 32	0.27
Year		
Revenue	333 2m	291.8m
Net profits	26.54m	23.61m
Net per share	1.31	1.17

GAF	1980	1979
Fourth quarter	$	$
Revenue	172.6m	184 8m
Net profits	†1.93m	7.43m
Net per share	†0.21	0.49
Year		
Revenue	677.2m	683.7m
Net profits	9.08m	40.59m
Net per share	0.50	1.66

† Loss

MOLSON COMPANIES	1980-81	1979-80
Third quarter	$	$
Revenue	401.9m	351.4m
Net profits	9 35m	13.56m
Net per share	0 66	0.96
Nine months		
Revenue	1.24bn	1.08bn
Net profits	36.25m	46 48m
Net per share	2 58	3 34

PETRO-LEWIS	1980-81	1979-80
Second quarter	$	$
Revenue	46 3m	25 3m
Net profits	9 0m	4 2m
Net per share	0.45	0.19
Six months		
Revenue	87 1m	48.3m
Net profits	17 2m	8.6m
Net per share	0 85	0.41

SEDCO	1980-81	1979-80
Six months	$	$
Revenue	194.3m	186.8m
Net profits	22.55m	17.01m
Net per share	0.71	0.55

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday, March 11. Closing prices on February 18

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amoco 13¾ 88	75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CECA 11¼ 88	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CNE 12¾ 91	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Citicorp O/S Fin. 10 86	300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Citicorp O/S Fin. 12 87	200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Con. Illinois O/S 15¾ 86	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark 11¼ 90	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dupont Canada 13¾ 91	60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EEC 11 95 (May)	75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EEC 11 95 (August)	75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 13¾ 90	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Eksportfinans [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Elec. de France 10 88	125	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Elec. de France 13 88	125	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Export Dev. Cpn. 12¾ 87	150	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Export Dev. Cpn. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fin. Exp. Credit [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland, Rep. of [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ford Credit O/S [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ford O/S Fin. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gaz de France [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GMAC O/S Fin. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GMAC O/S Fin. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gen. Mtrs. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GTE Fin. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hudson's Bay [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
IBM Canada [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
IBM Wld. Trade [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Newfoundland [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nova Scotia [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pemex [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quebec [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Queb. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Roylease [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SNCF [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sven [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swed. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swed. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unilever [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes... On day [illegible] on week [illegible]

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australia [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BFCE [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CECA [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CII-Ho[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ESCOM [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Iberdu[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ind. B[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kobe, [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Midland [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nucleb[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oslo, [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Venez[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes... On day [illegible] on week [illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bayer [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bergen [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Buhrm[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Copen[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Denmark [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Elet. d[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Eurofim[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
F. G [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GZB [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Int.-Am[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jutland [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mt. Bl[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Neweg[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norges [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oslo, [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oslo, [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Philips [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sekisu[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shikok[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trade [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Voest-A[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes... On day [illegible] on week [illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australia [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes... On day [illegible] on week [illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Ca[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CIBC [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CIBC [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Federal [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fst. Ca[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R. Bk [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tordom [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
M. Bk [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES [illegible]

CONVERTIBLE BONDS [illegible]

[illegible]

Companies and Markets

MINING NEWS

Beisa start-up in second half

BY KENNETH MARSTON, MINING EDITOR

THE Gencor group's gold and platinum holding company, UC Investments, expects this year to provide a further R11m (£6.25m) for the new Beisa uranium-gold mine in the Orange Free State.

This will be no undue burden on UCI which at end-1980 held distributable reserves of R25m following a year in which net profits more than doubled to R37.6m and R29.2m was paid out in increased dividends.

In his statement with the UCI annual report the chairman, Mr H. A. Smith, adds that Beisa is still expected to reach production in the second half of this year, about a year ahead of schedule. By the end of 1980 R99m had been spent on the new mine and commitments in respect of contracts placed totalled R126m. Amounts approved in addition to commitments were R52.5m but estimates were that the mine would be brought to production at a level of expenditure below these figures.

At December 31 the market value of UCI's investments amounted to R383.1m, some 50 per cent above that of a year previously, while net assets equalled 1,969 cents (£11.19) per share. Because of the recent fall in gold and platinum share prices, the portfolio value at January 31 had come back to R307.9m.

In view of the uncertainties facing prices of precious metals Mr Smith does not venture any forecast of 1981 results. But commenting on the weaker gold price he says, "those waiting in the wings are nevertheless very aware that the price is potentially volatile and a crisis demand could be unleashed with very little warning." UCI shares were 475p yesterday to yield just under 20 per cent.

Nevada gold mine on stream

THE PINSON open-cast gold project in Nevada has started operations right in line with its forecast, with production starting in January and the first gold bar being poured during the first week of February, reports John Soganich from Toronto.

The 1,000 tonnes a day mine is owned by the Canadian companies Rayrock Resources with 26.5 per cent, Lacana Mining 26.25 per cent and United Siscoe Mines 26.25 per cent, with the balance owned by the geological and engineering group which was assembled for the project.

Construction of the mine was completed in just under a year at a cost of U.S.$18.5m (£8.3m), with most of this coming from a loan fro mthe Royal Bank of Canada.

At a gold price of $500 per ounce, operating profits should be sufficient to retire the bank loan and provide about $2m for a heap-leach operation, all within a period of about 18 months, according to Rayrock.

Construction of the leach facilities, to treat ore which is too low-grade for mill feed, is scheduled to start during the second quarter of this year.

Ore reserves at Pinson are estimated at 3m tonnes, with an average grade of 3.73 grammes of gold per tonne. This suggests a life for the operation of nine years.

In addition to that, there are 5m tonnes of the low-grade heap-leach material, plus further reserves at the Preble deposit which will be trucked 12 miles to the Pinson mil.

More claims granted to Consolidated Modder

THE SOUTH AFRICAN Government has granted a total of 3,750 additional precious metal claims to Consolidated Modderfontein Mines (CMM), a new company which groups several former gold mines in the East Rand.

CMM was put together at the beginning of this year, and represents a merger between the former South African-quoted company Government Gold Mining Areas, the unquoted Modderfontein 74 and mining rights held by Mr Lucas Pouroulis.

These mining rights include the old Modderfontein Deep Levels and New Modderfontein mines, which adjoin the land owned by Government Gold Mining Areas. The new claims are also adjacent to GGMA, and include part of Brakpan, New State Areas, Geduld and Modderfontein B.

The only other significant area which Mr. Pouroulis hoped to add to CMM was Van Ryn Deep, to the north of Brakpan, and negotiations over this claim are still going on.

CMM said that the claims granted this week will give it additional flexibility in pursuing its expansion programme, and contain reef horizons not previously exploited. The company [illegible]

[illegible]

GAS DISCOVERY

The North Paaratte No. 2 [illegible] well [illegible] in the Otway Basin in Victoria has flowed on test at a rate of 10m cubic feet of gas a day, according to Beach Petroleum.

North Paaratte 2 was drilled to a target depth of 1,603 metres and is located 1.6 km east of the North Paaratte 1 well which also recorded substantial gas flows.

Beach Petroleum says further tests will have to be carried out before the calculation of reserves can be made. Beach, Hudbay Oil (Australia) and Fuel Exploration each hold a one-third interest in the area.

Silvermines to acquire stake in Kinsale gas

THE Dublin-based natural resources and industrial group, Silvermines, is paying U.S.$5.75m (£2.53m) to acquire Cambridge Royalty Company (CRC) of Houston's 24.7 per cent royalty interest in the Marathon Oil concession off the south coast of Ireland.

The Marathon concession, encompassing 2.4m acres, contains the Kinsale Head gas field, which has estimated reserves in excess of one trillion cubic feet of natural gas.

Silvermines will also acquire 50 per cent of CRC's share of the royalty related to the currently non-producing remainder of the Marathon acreage.

Silvermines also announced the placing of 775,000 shares in Aran Energy at a price of £4.30 ($3.15) per share, thereby raising some £2.44m. The sale of the Aran shares reduces Silvermines' holding in Aran Energy to approximately 10.26 per cent. Silvermines remains the largest shareholder.

The royalty entitles its holders to receive not less than 2 per cent and not more than 5 per cent of the gross value of production with the precise amount to be computed, within those limits, at 10 per cent of the operator's net profits as defined by the original concession agreement with the Irish Government.

Two production platforms of seven wells each are in place in the Kinsale Head gas field. Marathon Petroleum (Ireland) is the operator of the field and began continuous delivery of gas in October, 1978, to the Irish Gas Board.

Silvermines is looking for a continuing cashflow from the royalty for the next 20 years and believes that the future potential benefit to the company from increased cash flow will be significant

There is also the possibility of further hydrocarbon discoveries being made in the concession area. Following the news Silvermines' shares were 7p up at 117p in London yesterday, while Aran Energy were 5p lower at 340p.

QUE RIVER MINE IN PRODUCTION

Production of silver-lead-zinc ore has started at Que River Mine in Tasmania of Aberfoyle and Paringa. Deliveries of ore to the Rosebery concentrator of EZ Industries will be limited to 2,000 tonnes a week pending the completion of new facilities at the concentrator.

These are not expected to be finished until late-April, after which deliveries of Que River ore will rise to between 3,000 and 4,000 tonnes per week. The mine's ore reserves are put at 3m tonnes grading 7 per cent lead, 12.5 per cent zinc and 171 grammes per tonne silver. In addition there are a further 3m tonnes of less well defined ore.

Change Wares suspended pending reconstruction

Shares of Change Wares, the less-making steel shelving and stockholding group, were suspended yesterday at 5p pending another financial reconstruction which is likely to take several weeks to finalise.

The reconstruction, in turn, depends on the figures for the full year to December 31, which will not be available for another 10 days to two weeks. These are almost certain to show continuing losses.

In 1979 pre-tax losses were £1.12m and at the annual meeting Mr Harold Chaffe, the chairman, said shareholders should not ne encouraged to expect profits this year.

The proposals now being worked out by Samuel Montagu, Change Wares' advisers, involve "increasing the company's equity base so as to provide additional funds for its future development."

The plan, "which will also involve a reconstruction of the existing share capital" requires shareholders' approval at a special meeting yet to be called.

In 1978, when Mr. Geoffrey Rose took over as chairman, the company raised just under £1m by way of a rights issue, and made a significant acquisition. Following this Mr. Rose claimed that Change Wares was "now fully restored to health."

A year later in January 1980, Mr Rose and his American associates sold out of the company and the current Board was appointed.

The results for 1979 were not published until September.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.280	1	24 A	—	—	—	—	F.288
ABN C	F.300	52	4	3	5.50 A	—	—	"
ABN C	F.320	35	1.30 A	12	3 A	—	—	"
AKZO C	F.17.50	127	1.30	23	1.80 B	—	—	F17.90
AKZO C	F.20	—		119	1	6	1.40	"
AKZO C	F.22.50	73	0.20	—	—	—	—	"
AKZO P	F.20	[illegible]	2.70	—	—	—	—	"
AMRO C	F.50	5	1.50	—	—	1	2.50	F.55
AMRO C	F.65	10	0.33	—	—	—		"
HEIN C	F.55	10	5.30	—		1	7.20	F.59.50
HEIN C	F.60		—	86	4.10	3	5	"
HEIN P	F.55	3	1	1	2	—	—	"
HEIN P	F.60	5	6	—	—	—	—	"
HOOG C	F.12.50	2	4.30	—		—	—	F.17.60
HOOG C	F.15	30	2.90	—	—	—		"
HOOG C	F.17.50	[illegible]	0.70	1	1.40	21	2.10	"
HOOG C	F.20	25	0.40	—	—	50	1	"
IBM C	$60	5	5	—	—	—	—	$62¼
IBM C	$65	1	2½	—	—	—	—	"
IBM C	$70			1	2⅛	—	—	"
IBM P	$70	1	7½	—	—	—	—	"
KLM C	F.55	5	19.50A	—	—	—	—	F.73.40
KLM C	F.60	20	14.20	1	15 A	—	—	"
KLM C	F.65	5	9.50B	—		—	—	"
KLM C	F.70	32	5.40	54	8	3	9	"
KLM P	F.60	10	0.40B	1	1	—	—	"
KLM P	F.65	29	1.40	—		—	—	"
KLM P	F.70	22	3.50B	4	4.50B	—	—	"
NATN C	F.120	21	8	3	9.90	—	—	F.126
NATN C	F.125	17	4.20	5	6	—		"
PHIL C	F.15	14	3.70	15	3.50	100	4.20	F.18.50
PHIL C	F.17.50	73	1.60	43	2	105	2.30	"
PHIL C	F.20	175	0.50	137	0.90	343	1.20	"
PHIL P	F.17.50			3	0.50			"
PHIL P	F.17.50	10	0.50B	40	0.80	95	0.90B	"
OLIE C	F.170	6	32	—	—	—	—	F.200.50
OLIE C	F.180	53	23B	—	—	—	—	"
OLIE C	F.190	25	13.70	—		—	—	"
OLIE C	F.200	194	9.50	22	13B	10	18	"
OLIE C	F.220	201	4.20	52	4.30B	—	—	"
OLIE C	F.240	130	0.40	50	2.40		—	"
OLIE P	F.180	112	2.90			—	—	"
OLIE P	F.190	177	2.50	52	5.60	—	—	"
OLIE P	F.200	154	5	49	11.50	7	14	"
OLIE P	F.220	35	21.50A	—	—	—	—	"
OLIE P	F.240			5	43	—	—	"
UNIL C	F.120	4	9.50	3	11	—	—	F.127.90
UNIL C	F.130			21	5	2	6	"
UNIL C	F.135	30	1.40	—		—	—	"
UNIL P	F.125	1	1.50	10	4	—	—	"
XERO C	$60			5	4½	—	—	$58½
		Feb.		May		Aug.		
BOEI C	$35		—	5	3½	—		$35⅛
BOEI C	$40			—	—	2	5	"
BOEI C	$45			3	¾	—		"
BOEI P	$35			3	2½	—		"
BOEI P	$40			3	4½	—		"
MANN C	DM 170	—	—	5	1.50	20	5.50	DM124
OCCI C	$30	11	⅛	20	2⅛	—	—	$29⅞
SIEM C	DM 260			1	5	—	—	DM247.50
SLUM C	$100	1	5¼	5	11½	—	—	$105⅛
SLUM C	$110	4	4	—		1	11	—
SLUM C	$130	—	—	—	—	3	3½	"
VW C	DM.150	—	—	—	—	10	5	DM146

TOTAL VOLUME IN CONTRACTS 3672

A=Asked B=Bid C=Call P=Put

ISSUE NEWS

£3.5m tender by Mid-Sussex

Mid-Sussex Water Company is offering £3.5m of redeemable preference stock by tender.

The stock carries a coupon of 6 per cent and a minimum price of £100, producing a gross redemption yield of 11.428 per cent or 16.67 per cent for those able to take advantage of franked investment income. It is redeemable at par on February 24, 1986.

The stock is denominated in amounts of £100 and applications, accompanied by a £10 deposit per £100 nominal, must be received before 11 a.m. on February 25.

The first dividend, amounting to £2.768 per £100 of stock, will be payable on August 24, 1981 and thereafter dividends will be payable half-yearly on February 24 and August 24 of each year.

Brokers to the issue are Dennis Murphy, Campbell and Co.

● comment

The Mid-Sussex offer is being made on the same terms as a £4m offer from Bristol Waterworks Company last week. Demand for water issues has been strong in recent months and it was expected that tenders of at least £102 would be necessary for the Bristol offer. Potential tenderers for Mid-Sussex will have the advantage of being able to see exactly how large tenders for Mid-Sussex had to be to win an allotment as results are to be announced today. But the forecast of at least £102 minimum for mid-Sussex too stands until then.

RIGHTS ISSUES ACCEPTANCES

The recent issue by way of rights of £9m in 9½ per cent convertible unsecured loan stock by Portals Holdings has been accepted as to 95 per cent.

Acceptances have been received in respect of 94.78 per cent of the one-for-eight rights issue by Hampton Trust to raise £330,000.

Acceptances have been received in respect of 94.7 per cent of the 19.36m shares of Norcros offered in a one-for-four rights issue last month to raise £11.6m.

Yearlings total £9.75m

Yearling bonds totalling £9.75m at 12 per cent redeemable on February 24, 1982 have been issued this week by the following local authorities:

Bury Metropolitan BC (£0.5m); Salford (City of) (£0.5m); Cleveland CC (£1m); Wakefield (City of) Metropolitan DC (£0.5m); Metropolitan Police District (The Receiver For The) (£0.5m); Sandwell (Metropolitan Borough Of) (£1m); Stirling DC (£0.5m); Camden (London Borough Of) (£1.5m); Epping Forest DC (£0.5m); Kingston Upon Hull (City Of) (£1.5m); South Wight BC (£0.25m); Cleveland CC (£1m); Stafford BC (£0.5m).

A total of £0.75m of 13¼ per cent bonds at par redeemable on February 12, 1986 have been issued by Lochaber DC (£0.25m) and West Derbyshire DC (£0.5m). Also £0.75m of 13¼ per cent bonds at par redeemable on February 16, 1983, have been issued, comprising of Winchester (City Of) (£0.5m) and Strathkelvin DC (£0.25m).

Trevian

Trevian Properties has raised £1.2m through a placing of debenture stock and ordinary shares to expand its commercial property development business.

The placing was arranged by M. J. H. Nightingale and Co.

Eleco profits hold up well in first six months

IN THE first six months ended December 31, 1980, profits of ELECO Holdings "have held up well," amounting to £773,000, against £810,000 in the comparable period. But because of the deepening recession, particularly in construction, it is unlikely that the second half will see a repeat of that figure—for the whole of 1979-80 the group produced £1.71m.

Turnover in the first half moved up from £9.9m to £10.36m. The profit was struck after exceptional expenses, including redundancies and closure costs, in excess of £150,000, and took in net rents and interest of £266,000 (£171,000).

The group's principal subsidiaries are engaged in the engineering and construction industries. Although the present trading climate is bleak, every effort is being made to minimise its effects. Moreover, the growth of the property portfolio will, in due time, more than compensate for any downturn in trading profits.

The programme of development of the group's industrial trading sites provides a "reassuring counter" to the setback of trading activities. The prime locations should help to ensure a successful letting outcome and the building operations will provide a regular flow of work for all sections of the construction division.

The interim dividend is held at 1p—the previous final was 2.3p.

هكذا من الأصل

Metcash claims control of Russell after market raid

BY DES KILALEA IN JOHANNESBURG

METRO CASH AND CARRY, the South African wholesaling group, has run ahead of Edgars, the South African stores group, at the post by buying control of Russell Holdings, one of the country's largest furniture retailers.

Early yesterday morning Edgars announced a 385 cents a share bid for Russell, at which point Metcash ended its discussions with the Russell Board having acquired 35 per cent of the company's equity on the market.

Last week, Metcash announced that it was negotiating to buy a controlling interest in Russell.

Three hours after the Edgars statement, the Metcash group announced it had bought shares on the market to take its holding in Russell to over 50 per cent.

As Metcash's control was bought through the market no offer needs to be made to minorities. Metcash does not intend to buy further Russell shares.

The acquisition of control in Russell cost the Metcash group some R33m ($42.5m)—a price of around 350 cents per Russell share, compared with Edgar's 385 cents offer. In the three hours it took Metcash to boost its stake in Russell from 35 per cent to over 50 per cent yesterday morning, the company bought just under 3m Russell shares on the market.

Metcash activities are predominantly in wholesaling. In January the group bought 30 per cent in Dion, the discount retailer, but Russell represents its first major entry to the retail market.

Metcash is still tying up details on the Russell acquisition, but no problems are envisaged in financing the purchase. What seems most likely at this stage is a private placing by Metcash of preference shares for at least part of the total consideration, with the balance coming from its holding company, Kimet.

On an annual basis the acquisition of over 50 per cent of Russell should add around R8m to Metcash taxed profit, which could boost earnings by some 33 per cent a Metcash share, after deducting the cost of finance. In the year to end-February Metcash earned 211 cents.

Sharp rise at Overseas Trust Bank

By Adrian Boven in Hong Kong

OVERSEAS TRUST Bank (OTB), one of Hong Kong's medium-sized listed banks, has reported profits, after tax and transfers to inner reserves, of HK$42.5m (U.S.$7.99m) for the six months to December 31, 89 per cent up from the previous year's interim profits of HK$23.47m.

The bank also posted an extraordinary gain of HK$47.7m from the sale to the public of shares in a subsidiary, Hong Kong Industrial and Commercial Bank (HICB).

The interim dividend has been raised to 12 cents a share from 8 cents a share and the bank has also declared a one-for-five scrip issue.

HICB has announced interim profits of HK$15.98m (U.S.$300m) compared with the HK$5.92m at the interim stage last year before it went public, and has declared an interim dividend of 9 cents a share.

Downturn in earnings for Nippon Denso

BY YOKO SHIBATA IN TOKYO

NIPPON DENSO, the Japanese manufacturer of car electronic equipment in the Toyota Motor group, has reported a setback in earnings for the year to December 31. Sales of car air-conditioners (accounting for 39 per cent of total turnover) were depressed by the cool summer, and higher materials costs were also said to account for the decline in earnings.

Operating profits fell by 7.5 per cent to Y48.691bn ($235.2m). Net profits were 5.5 per cent lower at Y24.6bn, on sales of Y517.36bn ($2.5bn), up 3.8 per cent. Profits per share dropped to Y85.17, compared with Y103.59 for 1979.

Capital spending for 1981 is planned at about Y55bn, the same level as for 1980. The company forecasts sales of Y540bn for the current year, up 4 per cent over 1980. Many negative factors are expected to squeeze earnings but the company hopes to maintain profits at the 1980 level by cutting costs.

Union Bank of Israel well ahead

BY L. DANIEL IN TEL AVIV

UNION BANK of Israel, the largest commercial bank in the Leumi group and the main instrument for financing Israel's diamond trade, reports net profits for 1980 of Sh55.7m ($6.84m), for a gain of 252 per cent over 1979.

The consolidated balance-sheet reached Sh12.5bn ($1.54bn), an increase of 145 per cent.

Hitachi model challenges IBM

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

HITACHI HAS announced a new computer which it claims is more than twice as powerful as the largest IBM machine currently in use and marginally ahead of a new IBM machine due for delivery in 1983.

The new Hitachi computer is the H-280H, described in the company's official release as a [illegible] high speed processor [illegible] can be equipped with a [illegible] of 32 mega bytes of [illegible] storage capacity and with [illegible] channels." Hitachi claims [illegible] the overall processing ability of the H-280H is about [illegible] 2.4 times that of IBM's [illegible] model.

The IBM 3081, which was announced late last year, is estimated to have between 1.9 and 2.1 times the processing ability of the 3033, but is not expected to be available for delivery in Japan before early 1983 (although IBM is taking orders for it now). Hitachi says it will start shipping the H-280H to Japanese customers before the end of 1981.

A second new Hitachi computer, the H-240H, which is claimed to offer the processing ability of a large computer while taking up less than one square metre of floor space, will also be available from late this year.

Hitachi says it aims to manufacture 120 units of the H-280H and 500 units of the H-240H for sale to Japanese buyers over the next four years. The company is reticent about export plans, but Hitachi is already marketing its large computers through Olivetti in Europe and through National Advanced Systems in the U.S.

Hitachi is the second Japanese computer manufacturer to have announced a machine claimed to exceed the processing capacity of IBM's 3033. The other new Japanese front runner is the ACOS 1,000, a super-large computer developed by Nippon Electric Company which is due to be marketed from September. Fujitsu, the largest indigenous Japanese computer maker, has yet to announce a new machine, but is known to have something in the pipeline.

New chairman for Hampton Gold

Lord Wakehurst has been appointed a director and elected chairman of HAMPTON GOLD MINING AREAS in place of Mr. J. R. Ley, who has now resigned as chairman—and from the Board. Lord Wakehurst is chairman of Continental Illinois, the London merchant banking subsidiary of Continental Illinois Corporation of Chicago.

*

Mr. Peter G. Ledbetter has joined the board of GUINNESS PEAT AVIATION, of Shannon, Ireland. Mr. Ledbetter was a founder member of the GPA management team on the establishment of the company in 1975 and has been company secretary and executive vice-president in the financial and corporate planning areas.

*

Mr. Allan Storey, deputy underwriter of the British and Foreign Marine Insurance Company, has been appointed chairman of the LIVERPOOL UNDERWRITERS' ASSOCIATION, succeeding Mr. George Urmson.

*

Mr. Takashi Tomari is to become general manager of SANWA BANK (UNDERWRITERS), London. He succeeds Mr. Makoto Tanabe, who is returning to the head office of Sanwa Bank in Japan.

*

Mr. Nigel Jackson has been appointed commercial director on the board of FARM FEED FORMULATORS, Northallerton. For the past two years he has held the position of commercial manager. Mr. Mike Brown has become commercial development manager.

*

Mr. G. F. Cole has been appointed a director of REED STENHOUSE UK in its Midlands region.

*

Mr. Edward Cummings and Mr. Peter Viggers, Conservative MP for Gosport, have been appointed to the board of SWEETHEART INTERNATIONAL (GOSPORT). Mr. Cummings is executive vice-president of the Continental Illinois Bank.

*

GEC-Marconi Electronics states that Mr. K. P. Robinson has been appointed managing director of MARCONI COMMUNICATION SYSTEMS. He succeeds Mr. T. Mayer, who leaves the company to take up another post in the electronics industry.

*

Mr. Peter J. Woodward has been appointed to the board of WALKER AND STAFF HOLDINGS.

*

Mr. Malcolm J. Black has been appointed vice-president and regional director, Innochem division for JOHNSON WAX, Europe, Africa and the Middle East and he will continue to be based at Ascot, Berks. Mr. Black also becomes both a vice-president and officer of the parent company, S. C. Johnson and Son Inc., U.S.

*

Mr. P. H. Barnett has taken up his appointment as a corporate finance director, MIDLAND BANK. Until recently he was manager of the Maidstone branch.

*

The Earl of Arran has resigned as a director of the DAILY MAIL AND GENERAL TRUST.

*

Mr. Mike Rumbold and Mr. Bill Ashley have been appointed to the Board of ROCK ASPHALTE, a subsidiary of the Walter Lawrence Group.

*

Mr. Malcolm Sharp has become managing director of WATVEARE OVERSEAS, a member of the Dutton-Forshaw Machinery Group. His appointment follows the retirement of Mr. F. Goodfried.

*

Mr. Alan Smith has been appointed group sales and marketing director (housing) for WILLIAM LEECH.

*

Mr. Max Harris and Mr. John Burton have been appointed to the board of FRAZER-NASH GROUP SERVICES, of Kingston-upon-Thames. Both joined the company in April, 1979, Mr. Harris as marketing manager and Mr. Burton as financial controller.

*

Mr. D. M. Ruskin, who joined the board of HERON MOTOR GROUP in June last year, has resigned as a director.

*

Mr. Nigel Payne has been appointed managing director of CIS (PRODUCTS) of Cambridge, a member of the CIS International group.

OVERSEAS

Mr. John Lamb has been appointed senior manager and representative at NATIONAL WESTMINSTER BANK's representative office in Scandinavia, based in Stockholm, which was officially opened on Tuesday. Since 1978, he has been a manager in the industrial section of corporate financial services department in London. Mr. Lamb will be assisted by an adviser, Mr. Bengt Lindgren, formerly an executive with Skanska Banken.

*

Mr. Arthur H. Hausman, a director, president and chief executive officer of AMPEX CORPORATION, California, U.S., has been elected to the additional post of chairman. He succeeds Mr. Richard J. Elkus, who has retired as chairman and a director. The Board of the company has been increased from 10 to 14 members, with the following appointments: Mr. Forrest N. Shumway, Mr. Daniel W. Derbes, Mr. Charles S. Arledge, Mr. John A. Teske, and Mr. Charles A. Steinberg. Ampex became a subsidiary of Signal Companies, Inc., on January 15.

*

Mr. C. T. V. Arentschildt has been appointed general manager of the BANQUE DE DEPOTS S.A., Geneva.

*

Dr. Heinz Frey has succeeded Mr. Harry A. Laett as management chairman of AUTOPHON AG, Solothurn, Switzerland.

*

Dr. W. Howard Arnold Jr. has been appointed general manager of the advanced reactors division of WESTINGHOUSE ELECTRIC CORPORATION, succeeding Mr. Ronald H. Fillnow, who has retired. Mr. Nathaniel D. Woodson replaces Dr. Arnold as general manager of Westinghouse Nuclear International.

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	17.2.81	10.2.81	AVERAGE YIELD	17.2.81	10.2.81
DM Bonds	88.62	90.27	DM Bonds	10.010	9.685
HFL Bonds & Notes	92.13	92.96	HFL Bonds & Notes	10.587	10.381
U.S. $ Strt. Bonds	83.92	85.18	U.S. $ Strt. Bonds	12.978	12.695
Can. Dollar Bonds	87.87	88.22	Can. Dollar Bonds	12.736	12.657

CURRENCIES, MONEY and GOLD

Dollar recovers

The dollar recovered early losses in nervous foreign exchange trading. There were no new factors influencing the market ahead of President Reagan's State of the Nation speech which will outline the new Administration's economic policies. The market also awaits today's West German Bundesbank central council meeting where moves are expected to support the D-mark. Sterling was again slightly weaker overall, but recorded little change on balance against the dollar.

European currencies finished a little firmer against the dollar, but well down from the high points touched earlier in the day. The Belgian franc remained the second weakest member of the EMS, ahead of the lira, while the Irish punt fell below the D-mark.

DOLLAR — trade-weighted index (Bank of England) fell to 100.2 from 101.2. The dollar showed an early weakness, falling to DM 2.1500, after opening at DM 2.1775. In late trading it recovered to DM 2.1910 however, and finished at DM 2.1875, compared with DM 2.1950 on Tuesday. The U.S. currency also fell slightly in terms of the Swiss franc, to close at SwFr 1.9875, compared with SwFr 1.9950. Once again there was little change against the yen, with the dollar finishing at Y206.25, against Y206.50 previously.

STERLING — trade-weighted index (Bank of England) fell to 102.2 from 102.6, after opening at 102.0 and rising slightly to 102.1 at noon. The pound opened at $2.2625-2.2635 against the dollar and fell to a low of $2.2610-2.2620, before recovering to $2.2740-2.2750 by mid-morning. In the afternoon sterling touched a peak of $2.2820-2.2830, and closed at $2.2660-2.2670, a rise of 25 points on the day.

D-MARK—Central bank intervention has helped the D-mark stage a partial recovery from its recent weak trend caused by high foreign interest rates, a favourable response to the new U.S. Administration's economic policies, and Germany's considerable balance of payments deficit. The D-mark's weakness has also increased strains in the European Monetary System, while tension over Poland has added to the problems surrounding the German currency—The D-mark continued to advance at the Frankfurt fixing. There was no intervention by the Bundesbank at the fixing, but the central bank may have sold dollars in the open market to help the D-mark's recovery. Expectations of higher German interest rates following today's Bundesbank central council meeting, and doubts as to whether President Reagan's economic announcement will contain any new measures gave further assistance to the D-mark. The dollar fell to DM 2.1645 from DM 2.1910 at the fixing, and sterling to DM 4.9200 from DM 4.9700. The German currency also gained ground against most of its EMS partners.

BELGIAN FRANC — Very weak within EMS, leading to an upward trend in interest rates and Government's austerity measures causing considerable industrial unrest. On the other hand many of Belgium's severe economic problems are shared by other European countries and this has helped avoid the often rumoured devaluation of the franc—The Belgian franc advanced in line with its EMS partners against the dollar and sterling at the Brussels fixing. The dollar fell to BFr 34.8975 from BFr 35.2775, and the pound to BFr 79.63 from BFr 80.1050. Within the EMS the Irish punt was unchanged at BFr 59.79, but the D-mark eased to BFr 16.1020 from BFr 16.1190, and the French franc rose to BFr 6.95475 from BFr 6.96. On the other hand the guilder rose to BFr 14.8030 from BFr 14.79.

THE POUND SPOT AND FORWARD

Feb. 18	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2610-2.2830	2.2660-2.2670	0.50-0.60c dis	−2.91	2.30-2.40dis	−4.15
Canada	2.7230-2.7450	2.7240-2.7250	0.60-0.70c dis	−2.88	2.60-2.75dis	−3.93
Nethlnd.	5.35-5.41	5.39¼-5.40¼	2½-1½c pm	4.17	5-4 pm	3.33
Belgium	79.10-79.90	79.75-79.85	13-3c pm	1.20	7 pm-3 dis	0.10
Denmark	15.07-15.21	15.20-15.21	1½ore pm-1½ dis	—	½-2½ dis	−0.34
Ireland	1.3245-1.3390	1.3350-1.3360	0.04-0.17p dis	−0.94	0.19-0.41dis	−0.90
W. Ger.	4.91-4.97	4.95½-4.96½	2-1pf pm	3.63	3⅞-2⅞ pm	2.72
Portugal	128.40-131.10	130.95-131.05	80c pm-35 dis	2.06	90pm-135dis	−0.69
Spain	198.10-199.20	198.15-198.25	5-55c dis	−1.82	205-260 dis	−4.89
Italy	2,335-2,358	2,350-2,352	6¼-8¼ lire dis	−3.70	31-34 dis	−5.53
Norway	12.18-12.33	12.31½-12.32½	1½ore pm-par	0.79	par-1½ dis	−0.28
France	11.38-11.51	11.50-11.51	3½-2½c pm	3.39	6-5 pm	1.91
Sweden	10.50-10.55	10.52-10.53	3-3½ore dis	−3.56	10⅞-11⅛dis	−4.27
Japan	465-472	467-468	2.55-2.25y pm	6.16	5.65-5.25 pm	4.67
Austria	34.65-35.00	34.70-34.75	14-11½gro pm	4.41	32½-27 pm	3.43
Switz.	4.45-4.51	4.50-4.51	3-2c pm	6.66	6⅝-5⅝ pm	5.10

Belgian rate is for convertible francs. Financial franc 80.75-80.85. Six-month forward dollar 5.20-5.30c dis, 12-month 9.00-9.20c dis.

THE DOLLAR SPOT AND FORWARD

Feb. 18	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2610-2.2830	2.2660-2.2670	0.50-0.60c dis	−2.91	2.30-2.40dis	−4.15
Ireland†	1.6935-1.7250	1.6935-1.6975	0.25-0.35c dis	−2.09	1.30-1.50dis	−3.25
Canada	1.2034-1.2061	1.2035-1.2038	0.02cpm-0.03dis	−0.05	0.17-0.12 pm	0.48
Nethlnd.	2.3420-2.3720	2.3420-2.3450	1.57-1.47c pm	7.78	4.50-4.40 pm	7.59
Belgium	34.85-35.22	35.20-35.22	15-13c pm	4.84	34-31 pm	3.74
Denmark	6.6150-6.6825	6.6200-6.6225	2.10-1.60ore pm	3.35	7.15-6.65 pm	4.17
W. Ger.	2.1600-2.1910	2.1870-2.1880	1.33-1.25pf pm	7.08	3.65-3.58 pm	6.61
Portugal	56.65-58.90	56.65-56.80	50c pm-par	5.29	100 pm-par	3.52
Spain	87.25-87.58	87.45-87.50	10c pm-10 dis	—	5 pm-25 dis	−0.46
Italy	1,026-1,034	1,027½-1,028½	½-1 lire dis	−0.73	3-4½ dis	−1.46
Norway	5.3625-5.4130	5.3975-5.3995	2.20-1.70ore pm	4.33	6.00-5.50 pm	4.26
France	4.9940-5.0700	5.0500-5.0600	2.75-2.65c pm	6.48	7.70-7.50 pm	6.08
Sweden	4.6165-4.6470	4.6200-4.6220	0.20-0.40ore dis	−0.78	par-0.20dis	−0.09
Japan	205.25-208.75	206.20-206.30	1.55-1.40y pm	8.58	4.55-4.40 pm	8.68
Austria	15.24-15.41	15.26½-15.27½	9.80-9.20gro pm	7.47	29.75-27.75pm	7.54
Switz.	1.9530-1.9890	1.9870-1.9880	1.67-1.58c pm	9.84	4.77-4.69 pm	9.52

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Feb. 18	Bank of England Index	Morgan Guaranty Changes%
Sterling	102.2	−24.6
U.S. dollar	100.2	−3.6
Canadian dollar	84.7	−18.7
Austrian schilling	114.0	+22.1
Belgian franc	107.9	+10.4
Danish kroner	89.7	−9.3
Deutsche mark	118.0	+35.9
Swiss franc	132.9	+72.0
Guilder	112.3	+16.9
French franc	86.5	−9.8
Lira	61.2	−53.2
Yen	148.3	+43.6

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Feb. 17	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.538744	0.519795
U.S. $	13	1.22214	1.18098
Canadian $	17.15	1.47366	1.42426
Austria Sch.	6¾	19.0153	18.2933
Belgium F.	12	43.1140	41.7430
Danish K.	11	8.30444	7.96627
D mark	7½	2.67771	2.59519
Guilder	8	2.91541	2.82430
French Fr.	9½	6.19075	5.99758
Lira	16½	1271.03	1231.34
Yen	7¼	253.350	242.454
Norwgn. Kr.	9	6.69427	6.44104
Spanish Pts.	8	107.374	103.749
Swedish Kr.	12	5.74955	5.54019
Swiss Fr.	3½	2.42655	2.36136
Greek Dr'ch.	—	—	61.5469

OTHER CURRENCIES

Feb. 18	£	$		£ Note Rates
Argentina Peso	5165-5186	2269-2269	Austria	34.60-35.00
Australia Dollar	1.9500-1.9640	0.8640-0.8645	Belgium	79.70-80.50
Brazil Cruzeiro	159.86-160.86	70.16-70.51	Denmark	15.00-15.15
Finland Markka	9.36-9.38	4.0885-4.0915	France	11.34-11.44
Greek Drachma	117.015-119.027	51.05-51.25	Germany	4.91-4.96
Hong Kong Dollar	12.08-12.10	5.3100-5.3150	Italy	2360-2450
Iran Rial	171.30*	75.50*	Japan	467-473
Kuwait Dinar(KD)	0.618-0.624	0.2740-0.2745	Netherlands	5.34½-5.38½
Luxembourg Frc.	79.75-79.85	35.20-35.22	Norway	12.20-12.30
Malaysia Dollar	5.165-5.175	2.2700-2.2740	Portugal	127-133
New Zealand Dlr	2.4400-2.4450	1.0750-1.0760	Spain	194-203½
Saudi Arab. Riyal	7.53-7.59	3.3400-3.3420	Sweden	10.50-10.60
Singapore Dollar	4.7475-4.7575	2.0870-2.0910	Switzerland	4.46-4.50½
Sth African Rand	1.7700-1.7725	0.7810-0.7820	United States	2.26½-2.28½
U.A.E. Dirham	8.27-8.33	3.6710-3.6730	Yugoslavia	82-85

Rate given for Argentina is free rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 18	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	41.6757	+4.74	+1.17	±1.54
Danish Krone	7.72336	7.94535	+2.88	−0.72	±1.63
German D-Mark	2.48208	2.58775	+4.26	+0.69	±1.125
French Franc	5.84700	5.98122	+2.47	−1.10	±1.3557
Dutch Guilder	2.74362	2.81760	+2.70	−0.87	±1.512
Irish Punt	0.663201	0.696768	+4.28	+0.71	±1.668
Italian Lira	1157.79	1230.50	+6.28	+2.83	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Feb. 18	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.267	4.960	467.5	11.505	4.505	5.398	2351.	2.725	79.80
U.S. Dollar	0.441	1.	2.188	206.3	5.076	1.988	2.381	1037.	1.202	35.21
Deutschemark	0.202	0.457	1.	94.25	2.320	0.908	1.088	474.0	0.549	16.09
Japanese Yen 1,000	2.139	4.845	10.61	1000.	24.61	9.636	11.55	5029.	5.828	170.7
French Franc 10	0.869	1.970	4.311	406.3	10.	3.916	4.691	2043.	2.368	69.36
Swiss Franc	0.222	0.503	1.101	103.9	2.554	1.	1.198	521.9	0.605	17.17
Dutch Guilder	0.185	0.420	0.919	86.61	2.132	0.835	1.	435.6	0.505	14.78
Italian Lira 1,000	0.425	0.964	2.110	198.9	4.894	1.916	2.295	1000.	1.159	33.94
Canadian Dollar	0.367	0.832	1.821	171.5	4.223	1.654	1.981	862.9	1.	29.29
Belgian Franc 100	1.253	2.840	6.216	585.8	14.42	5.645	6.764	2946.	3.414	100.

FT LONDON INTERBANK FIXING (11.00 a.m. FEBRUARY 18)

3 months U.S. dollars		6 months U.S. dollars	
bid 17 3/8	offer 17 1/2	bid 17 9/16	offer 17 11/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates of $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Feb. 18	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	14¼-14¾	16-16¼	16-17	9-9½	2¼-3¼	8⅞-9¼	10¼-10⅝	15-17	10-11	7¼-7½
7 days' notice	14⅛-14⅜	16⅛-16⅜	16½-17½	9-9⅛	2¾-3¼	8⅞-9¼	10⅛-10⅜	15¼-17	11¼-11¾	8-8⅛
Month	14⅛-14¼	17-17¼	17¼-17¾	9⅜-9½	5⅝-5⅞	9⅛-9⅜	10¼-10¾	17⅛-18¼	12⅛-12¾	8¼-8⅜
Three months	14⅛-14¼	17⅜-17⅝	17⅜-17⅞	9⅝-9⅞	7¼-7⅝	9⅜-9⅝	10⅞-11¼	18-19	13⅛-13¾	8⅛-8¼
Six months	14⅛-14¼	17⅛-17⅜	16⅞-17⅜	9⅝-9⅞	7⅛-7½	9⅛-9⅜	10¼-10¾	19-20	13½-14	8-8⅛
One Year	13⅞-14⅛	16⅞-17⅛	16⅞-17¼	10¼-10½	7-7¼	8¾-9⅛	10¼-10¾	19-20	13¼-13¾	8¼-8⅜

SDR linked deposits: one-month 13⅜-13⅞ per cent; three-months 13⅞-14⅛ per cent; six-months 13⅞-14⅛ per cent; one year 13⅞-14⅛ per cent.
Asian $ (closing rates in Singapore): one-month 17⅛-17¼ per cent; three-months 17⅜-17½ per cent; six-months 17⅛-17¼ per cent; one-year 16⅞-16¼ per cent. Long-term Eurodollars two years 16¼-16⅝ per cent; three years 15¾-16 per cent; four years 15½-15⅞ per cent; five years 15⅜-15⅝ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice.
The following nominal rates were quoted for London dollar certificates of deposit: one-month 16.80-16.90 per cent; three-months 16.90-17.00 per cent; six-months 16.80-16.90 per cent; one-year 16.30-16.40 per cent.

INTERNATIONAL MONEY MARKET

Europe rates ease

European short-term interest rates showed an easier trend yesterday, despite expectations of moves by the German Bundesbank at today's central council meeting to stabilise the D-mark. An increase of ½ per cent in the central bank Lombard rate has already been discounted by Frankfurt money market rates, but any stronger measures, such as an increase in the discount rate, is likely to lead to higher interest rates in several other European countries, particularly Belgium in the light of the extreme weakness of the Belgian franc. Although the Dutch guilder has been one of the two strongest members of the European Monetary System for several months, firmer rates in the Netherlands may also follow any German move. Fixed term money in Amsterdam declined yesterday, however, following the announcement of a two-week special advance by the Dutch central bank.

The allocation of Fl 2.58bn for the period from February 19 to March 4 represented 75 per cent of market applications. Amsterdam call money was unchanged at 9-9½ per cent, but one-month fell to 9½-9¾ per cent from 9⅝-9⅞ per cent, and three-month to 9½-9¾ per cent from 9¾-9⅞ per cent.

In Frankfurt call money was unchanged at 9.00-9.10 per cent, but period rates were easier, while in Paris day-to-day funds rose to 10½ per cent from 10⅜ per cent and one-month to 10⅝-11 per cent from 10⅝-10¾ per cent. The French franc remained the strongest EMS currency yesterday.

UK MONEY MARKET

Adequate supply

Bank of England Minimum Lending Rate 14 per cent (since November 24, 1980)

Money was in adequate supply in the London money market yesterday, although discount houses had some difficulty in finding late balances. This may have reflected the reluctance of the banks to alter their reserve asset ratios on make-up day. A surplus of funds was expected from the start, but this has probably been left in the banking system, because the authorities did not intervene.

The only significant factor was an excess of Government disbursements over revenue payments to the Exchequer.

Discount houses paid up to 13½ per cent for secured call loans, with closing balances taken at 12½-13 per cent.

In the interbank market overnight loans opened at 14⅛-14½ per cent and fell to 13½-14 per cent in anticipation of easy conditions. Rates continued to decline, closing at 13-13½ per cent.

GOLD

Late fall

Gold lost ground in late trading in the London bullion market yesterday, closing at $498-499, a fall of $7 on the day. It opened at $498-501, and was fixed at $502 in the morning and $505 in the afternoon. Trading was generally steady, with the metal touching a peak of $504-507, but it eased towards the close following a late recovery by the dollar. In New York shortly after the London market closed gold fell to $492-493.

In Paris the 12½ kilo gold bar was fixed at FFr 88,000 per kilo ($546.16 per ounce) in the afternoon, compared with FFr 87,700 ($541.48) in the morning, and FFr 87,550 ($537.58) Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 35,190 per kilo ($502.01 per ounce), against DM 35,400 ($498.34) previously, and finished at $504-507 compared with $499-502.

In Zurich gold closed at $504-507, against $499-502 on Tuesday.

	Feb. 18		Feb. 17	
Gold Bullion (fine ounce)				
Close	$498-499	(£220-220½)	$505-506	(£221½-222½)
Opening	$498-501	(£220-221½)	$493-496	(£218¼-219½)
Morning fixing	$502	(£221.487)	$496.50	(£220.351)
Afternoon fixing	$505	(£221.540)	$500.75	(£220.985)
Gold Coins				
Krugerrand	$515-518½	[illegible]	$520-522	(£229¼-230¼)
½ Krugerrand	$268-269	[illegible]	$267-271	[illegible]
¼ Krugerrand	$136-138	[illegible]	$135-138	[illegible]
1/10 Krugerrand	[illegible]	[illegible]	[illegible]	[illegible]
Mapleleaf	$507-509	[illegible]	$514-516	[illegible]
New Sovereigns	$126½-128½	[illegible]	$127-129	[illegible]
King Sovereigns	$148-150	[illegible]	$148-151	[illegible]
Victoria Sovs	$148-150	[illegible]	$149-151	[illegible]
French 20s	[illegible]	[illegible]	[illegible]	[illegible]
50 pesos Mexico	$620-625	[illegible]	$626-630	[illegible]
100 Cor. Austria	$490-495	[illegible]	$496-500	[illegible]
$20 Eagles	$684-689	[illegible]	[illegible]	[illegible]

MONEY RATES

NEW YORK	
Prime Rate	19-19½
Fed. Funds	16¼-16⅝
Treasury Bills (13-week)	14.97
Treasury Bills (26-week)	14.26
GERMANY	
Discount Rate	7.5
Overnight Rate	9.05
One month	9.125
Three months	10.625
Six months	10.70
FRANCE	
Intervention Rate	9.5
Overnight Rate	10.75
One month	10.8375
Three months	11.625
Six months	12.25
JAPAN	
Discount Rate	7.25
Call (Unconditional)	8.4375
Bill Discount (three-month)	[illegible]

LONDON MONEY RATES

Feb. 18 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Discount Company Deposits	Discount Market Deposits	Treasury Bills	Eligible Bank Bills	Fine Trade Bills
Overnight	—	13-14¼	14	—	—	13¾-14¼	12¼-13¾	—	—	—
2 days notice	—	—	14¼	—	—	—	—	—	—	—
7 days or …	—	—	—	—	—	—	—	—	—	—
7 days notice	—	14-14¼	14¼-14½	—	14¾	14¼	[illegible]	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
Two years	—	—	[illegible]	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13⅜-13¾ per cent; four years 13⅝-13¾ per cent; five years 13⅝-13⅞ per cent. Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12¾ per cent; four-month trade bills 13¾ per cent.

Approximate selling rate for one-month Treasury bills 12⅝ per cent; two-months 12⅝ per cent; three-months 12⅝ per cent. Approximate selling rate for one-month bank bills 12⅞ per cent; two-months 12⅞ per cent; three-months 12⅞ per cent; one-month trade bills 14½ per cent; two-months 13¾ per cent and three-months 12⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 15 per cent from February 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 12.2923 per cent.

BUSINESS BOOKS

Business and the stock market: how tenuous is the link?

By RICHARD LAMBERT

Street Fighting at Wall and Broad. An insider's tale of stock manipulation. By Marchand Sage. Macmillan Publishing Co. Inc. $9.95.

SHARE prices cannot be sustained by hype alone—at least, not forever. Over the long term (say, five years or more) reality catches up with the most persuasive public relations man, the most gullible financial journalist, the most pigheaded stockbroker.

But over the short term, you can get away with murder. When the crunch came, most of the go-go men of the early 1970s turned out to be incompetent managers, imprudent financiers and foolhardy investors. How was it that they were taken so seriously for so long—and why—sooner or later—will their like certainly be seen again?

At least part of the answer is given in "Street Fighting at Wall and Broad," an outstandingly entertaining book with the enticing subtitle "An insider's guide to stock manipulation". Writing under the pen name "Marchand Sage," the anonymous author tells of a company's fall and rise in the Wall Street glamour stakes. Strictly speaking it is fiction, but this story of how management, brokers and investors can allow themselves to be fooled by an accomplished manipulator is all too painfully true to life.

The book's theme is that whatever connection may once have existed between business and the stock market has now become extremely tenuous. The ownership of a share certificate brings no apparent responsibilities for the management of plant and labour, and the market performance of the shares themselves is often the most important determinant of the views of prospective buyers and sellers.

Remember the old story of the trader in sardines? By some mischance, he once actually took delivery of a tin, and found the contents to be rotten. "You are not supposed to eat those," he was told sharply. "Those tins are for trading, not eating."

The stock market, says Sage, is an auction like any other, and prices are directly related to the degree of urgency that engulfs its participants.

Accordingly, "stocks rarely sell where the rationalists say they 'should.' They are usually either too cheap or too expensive, although the sophistry of Wall Street, with its paradoxical combination of arrogance and justifiably low self-esteem, can always rationalise that the 'efficient market' is making a valid valuation."

As a result of this divergence between the company and its nominal owners, there has developed an industry devoted to creating an image for stocks. The motive is not just to flatter management's ego, but also to develop the degree of goodwill which—when expressed in a share price—can be parlayed into tangible assets by means of a takeover bid.

In the U.S. and, to a lesser extent, the UK, some companies seem to devote almost as much effort to promoting their shares as their products. Public relations men build close links with stock exchange analysts, providing them with confirmation of their earnings estimates and with someone, other than top management, who can be blamed in the event that those estimates prove to be wildly wrong.

"Smithson is our image maker"

It is then that public relations really proves its worth to the image builder. "It is amazing how responsive the stockholder who is sitting with a large unrealised 'paper' loss that is growing larger every day can be to the slightest bit of official encouragement. He is simply yearning for any dim reason to avoid admitting he has made a mistake."

When things are going well, of course, the task is a whole lot easier. Sage quotes what, from a public relations point of view, must be the most perfect statement ever to accompany the news of a dividend increase:

"Despite continued high capital needs for maintaining the growth and expansion of your company, management remains fully aware of shareholders' rights to participate in the progress of their enterprise."

But public relations alone will not get your stock into the nifty fifty. You also need the sponsorship of a prominent broking house or investment firm to create a real aura of wealth around your share price.

The sponsoring firm must be committed to the shares, either as a result of owning large lumps on its own account or of having put its best clients into the same position, or both. It will then make sure that everyone else hears about your virtues.

But can the world really be taken in so easily? Yes, says Sage, who is obviously a cynic of the old school. His argument is that both management and investors are often only too happy to be taken for a ride.

Too frequently political flair rather than entrepreneurial talent is the key to advancement in large corporations, so manipulative rather than managerial skills are crucial. At the same time, most big companies have enough momentum to ensure that, like the nation, they can survive incompetence at the top for an amazingly long time.

Shareholders are equally willing victims. It does not matter if a fund manager is wrong, so long as his rivals are too. Sage's example, a creepy individual named Wasppe, "was remarkable in his ability to say nothing that would embarrass him later on, while appearing positive and decisive."

This is why the brokerages houses that cater mainly for institutional investors tend to turn out the most verbose and boring analyses. The mere length of the report allows the fund manager to feel comfortable about his decision. Similarly, brokers rarely advise anyone to sell a particular stock, since that too often involves the painful realisation of a mistake. Instead you are told to switch into higher quality situations.

All this is terribly unkind, and of course it is more than a little unfair. But it is also compelling reading: the smart European manipulator would do well to get his copy ahead of the crowd.

Looking for ways to raise productivity

By BARRY RILEY

Productivity Measurement, edited by David Bailey and Tony Hubert. Gower Press, for the British Council of Productivity Associations. Price £15.

GREATER productivity is something which almost everyone is in favour of. Politicians of most colours are able to applaud higher productivity as pointing the way to progress, although very few—even on the right—go out of their way to sing the praises of profits. Yet, as one of the contributors to this book points out, profitability not productivity is the prime business objective. In fact, on the basis of long term UK statistics it appears that good productivity as measured in physical output units is not an important determinant of overall performance.

One common misunderstanding is that productivity is a matter only of efficient use of labour. It is a narrow view encouraged by years of so-called productivity bargaining. Government pay policies have permitted supernormal pay settlements on the basis of often bogus projections of output per employee.

Yet the total performance of a firm is a product of its use of several inputs. The example is quoted of Norway where high labour costs have encouraged excessive employment of capital, and thus low capital productivity to the detriment of overall returns. A South African contributor takes the analysis a stage further by discussing resource-based concepts such as energy productivity; while productivity, it is argued, can be regarded as a combination of efficiency and capacity utilisation.

It would be nice to be able to say that such concepts are consistently developed in this book, but as a compendium of assorted international contributions arising from a conference held by the European Association of National Productivity Centres it offers variety rather than depth. There is insight into various national approaches, but little impression of any international interaction which could produce really valuable results.

This is perhaps not surprising when the main roofs of productivity analysis are inter-firm comparisons (IFCs) which necessarily depend upon particular accounting methods. Even at the national level comparability is threatened by problems such as inconsistent asset valuations or non-availability of plant level data. Internationally the statistical problems are inevitably greater still.

Moreover the individual essays vary in quality and aim. The Irish contribution is a rambling discussion of why the country's IFC scheme collapsed, and concludes with a very Irish moral: it is very difficult to sell something which has previously been given away for nothing. The German item impresses with a cascade of ratios, but baffles with statements such as: "Theoretical considerations based on experience provide starting points for decision theory."

The general impression is of a fervant belief in the merits of higher productivity in improving the human condition. One author, for instance, puts it forward as the cure for inflation, while another claims: "In all parts of the world increased productivity and efficiency is vital to human welfare."

But at least in terms of the productivity of labour, such statements are becoming rather controversial when in most Western countries, as well as Third World nations, high unemployment is a serious problem. The Indians, after all, have made deliberate attempts to encourage low productivity industries, and in Britain the average worker has always been liable to see more productive methods as providing a threat to his job rather than as offering the potential for higher earnings. Present conditions must harden his view.

In the past, the UK's notoriously low physical productivity of labour has been at least partly offset by the low level of wages compared with competitors like Germany or the U.S. Perhaps, as Sir John Greenborough suggests in his introduction to this volume, the UK has nevertheless paid a serious price in terms of poor growth rates.

Today, the high level of sterling in real terms faces British industry with a serious crisis. It is in the agonising process of having quite suddenly to raise its productivity levels to much nearer the international norms. The far-reaching effects of such a drastic readjustment will no doubt provide fascinating raw material for future productivity seminars.

Oil: an alternative view

By MARTIN DICKSON

The Future of Oil, by Peter Odell and Kenneth Rosing. Kogan Page, price £20.

THE WEST'S sudden awakening to an "energy crisis" following the 1973-74 oil price rises represents one of the most remarkable shifts in mass perception in recent times.

From being cheap and plentiful, oil became almost overnight an expensive commodity of which the world faced an inevitable scarcity in the near future. And conventional wisdom, on which the West's energy policies are based, now insists that international demand for oil will outrun supply before many more decades are out.

It is a brave man who defies conventional wisdom of this sort. But that is what Peter Odell and Kenneth Rosing do in their new book which argues that the world's oil reserves remain large and the present crisis mentality is ill-founded.

Our perceptions of oil reserves, say Odell and Rosing, come from the large international oil companies. And the multinationals' figures reflect the companies' expectation about their ability to operate in particular countries—expectations which are based on political and economic factors.

For example, the companies are said to have largely discounted Latin American potential for hydrocarbons, apparently because of a long history of hostility to the multinationals by Governments there. But argue the authors, the fact that the Western oil companies cannot find and develop much of the world's oil does not mean that the oil is not there to be developed.

Working with this thesis, they proceed to construct a mathematically complex model incorporating three variables which are basic to any estimation of oil potential: ultimate reserves, annual additions to reserves through exploration; and oil consumption rates.

The conclusion is that there is a 90 per cent chance oil production could continue growing to 2011, a 50 per cent chance of growth till 2033 and a one in 10 chance of a peak being reached in 2072.

The authors argue that to fulfil this sort of potential three conditions must be fulfilled: the present crisis mentality must be eliminated, Governments must encourage oil exploration and, most crucially, an adequate organisational infrastructure must be developed to make exploration possible in all parts of the world with oil potential.

This is a highly stimulating book which, if it does not dethrone the conventional viewpoint, at least serves to reinvigorate the reserves debate.

Alas, the same cannot be said for Michael Tanzer's The Race for Resources (Heinemann Educational, £4.50), which purports to give an overview of the world mineral industries, metals as well as hydrocarbons.

Written from a left-wing political viewpoint, it ends with a Utopian flight of fancy that demands social revolution as a solution to the ills of the world. This is a poor, shallow book full of ill-digested second hand observations and sweeping generalizations.

BOOKS OF REFERENCE

1 Arabia Yearbook 1979 Edn. £25.
1a Australia: Universal Trade Directories, 15 vols. A$248 + A$60 post.
Belgium Tours & Exhibitions. 1980 Edn. £15.
2 Brazil: Anuario das Industrias 1979. £30.
3 Canada: Frasers Trade Directory 1980. $65 + $25 air post.
4 Denmark: Denmark's 1,000 Largest Companies 1980. DKr 27.50.
5 France: Arab Oil & Gas Directory 1979/80. $145.
6 Momento de l'Economie Africaine 1979. FFr 420. Covers 13 French-speaking countries.
7 Guide du Petrole Chemie 1979. France and Overseas. FFr 400.
8 France: The Exporters' Directory for North Africa and the Middle East. Price FFr 350.
8a Germany European Petroleum Yearbook. 1980 Edn. £35.
9 L'Officiel des Exportateurs pour l'Amerique Latine 1978/79. $70.
10 BDI Germany Supplies 1980. DM 90 plus post DM 25.
11 Germany Handbuch der Grossunternehmen 1979. DM 344. Seibt 1979 Edn. £30.
12 Germany: ABC Europe Production 1979. DM 105.
13 Greece: ICAP Financial Directory of Greek Companies 1980. $195.
14 India: Asia-Africa Directory (TRADO) 1979. £24.
14a Indian Export Yearbook 1979-80. $15.
15 Israel: The Directory of Israel 1980. $58.00.
16 Diamond's Japan Business Directory 1980. Price: US$260. India World Register of Trades. £30.
17 Industrial Review 1980. Price $27.00.
18 Japan: Electronic Buyer's Guide 1980. $80.
19 Japan: Economic Yearbook 1980-81. £20 plus air post £6. Japan Company Handbook 1981. 2 Vols. £30.
19a Japan Oriental Economist Monthly. Air £40.
20 Japan: Standard Trade Index of Japan 1980-81. US$150 + post $20.
21 Kuwait: Kuwait Gulf States, Sultanate of Oman and Saudi Arabia Commercial Directory 1980. Price $60.
22 Korea: Korea Directory 1980. $55.00.
23 Lebanon Le Guide Arab. Arab Directory 1977-78 Edn. Price: $120.00.
23a Arab Water Directory 1980/81. 2 Vols. Air $140.
24 Malta: Yearbook 1980. £4.50.
25 New Zealand: Business Who's Who 1980. NZ$37 + NZ$5 post.
26 New Zealand: Universal Business Directories, 9 vols. 1980-81. £87.
27 New Zealand: Yearbook 1980. £10.
28 Report on Markets in Nigeria 1977. Price: £35.00 plus £2.
29 Norway: Directory of Commerce. 2 vols. 1980. NKr 345.
29a Cape Times Directory of South Africa. 1980 Edn. Vol. 1 & 2. £25.
30 Year Book on European Rig and Supplyship Owners. 1980 Edn. NKr 60.
31 Spain: Frodel Catalogue of Producers, Exporters in Spain, 1978-79 edn. Price £26.
32 The Wines of Spain: 980 ptas. plus postage 200 ptas.
33 Swiss Financial Yearbook 1980-81. SwFr 99.
34 Swiss Export Directory. 13th edn. 1,400 pages, trilingual—English, German, French. SwFr 75 or £20.
35 Weekly from Taiwan. Trade Winds. Subscriptions US$41.
36 USA: American Register 1980. $66.
37 Anglo-American Trade Directory 1978-79. Price £30 ($60).
38 USA. Thomas Register of American Manufacturers. 12 vols. £125 plus £15 post.
39 Grocery Register. 3 vols. £40.
40 USA: Who Owns Whom in N. America 1980/81. £53.
41 Petroleum Engineer International and Offshore Drilling Producing Technology Handbook. 12 months for $20, 36 months for $40.
42 USA: Multinational Executive-Business Companion 1980. $25.
43 British Suppliers to the Oil, Petrochemical and Process Industries (CBMPE Catalogue 80). £28 each UK (post free). £35 each overseas.
44 International Who's Who in The Arab World 1978-79. £68.
45 The Concise Guide to International Markets 1980/81. Price £50.
46 The Creative Handbook 1980-81. £20.00 plus 85p p&p.
47 UK: New Products and Services' Directory 1979, listing addresses of UK firms. $30.
48 New Products Address Directory: UK and Foreign, vol. 11, listing UK and Foreign firms 1980. £30.
50 Walter Skinner's Mining International Year Book 1978. £30.
51 Oil and Gas International Yearbook 1981. £35, air £48.
52 World Shipping Yearbook 1980. £18, $42.
53 World Hotel Directory 1980. £18, air $65.
54 World Insurance Yearbook 1981. £35, air $115.
55 Who's Who in World Oil and Gas 1980-81. £24, air $55.
56 1st Vol. Market in Europe 1969. 9th Edn. $10. 10th Edn. due 1981. £25.
57 2nd Vol. Markets outside Europe. 9th Edn. 1978. $30 plus post $3, air post $6.
58 Overseas Directories. Subscriptions. Annuals and Reference Books, 16th Edn. 300 pages. £2.50, $15 by air mail. Directories only $10 by air mail. 1980 Index UK £12; Overseas $30 p.a.
59 London Trades Directory 1980-81. £25.
60 Who's Who in Denmark. 1979 Edn. £25 ('80 Kr 305).
61 Who's Who in Germany. 7th Edn. 1979. £65.
62 Who's Who in Medicine in German-speaking Europe. £55.
63 UK Who's Who. 1980 Edn. £30.
64 Who's Who in America. 41st Edn. Vol. 1 & 2. £50.

BUSINESS BOOKS

Learning to live with different cultures

By BOB GARRATT

Culture's Consequences, by Geert Hofstede. Sage Publications Inc., U.S. Price £18.75

TO AN increasing extent, international organisations are having to take account of the local cultures in which they operate. Gone are the days when a company could expand around the world stamping its own concepts, and management, on its host country.

Now, pressure is being exerted in two different ways, as a result of which interest is being generated about the need to understand what is happening in terms of international management.

First, established transnational organisations are finding their position being questioned by national governments through direct political and social pressures in order to advance their own nationalistic example, through "indigenisation" and restrictions on the use of expatriates.

Accepted

Second, in most industrialised countries it is increasingly accepted by companies that domestic markets are no longer sufficiently large, or stable, to ensure their long-term survival. Consequently, companies are being forced to trade across national boundaries—only to run into the problems already being experienced by the established companies.

Hofstede's work is a very helpful start in facing the managerial policies and appropriate trading stances for technology transfer that organisations must develop. It has arrived at a time when understanding the international dimension of many basic managerial problems is increasingly demanded and it opens up this area with great skill, throwing into sharp contrast many of the easy managerial assumptions of the past two decades.

Hofstede draws quite distinct pictures of just how different national cultures can be. He contrasts the Anglo/Scandinavian/Netherlands grouping, which symbolises the "village market," full of personal dealings and barter, with the South East Asian grouping, where the "clan" prevails. Also contrasted is the German-speaking Finland/Israeli group, which is reminiscent of the well-oiled machine, with the Latin/Mediterranean / Islamic / Japanese grouping which adheres to the pyramid structure, full of bureaucracy.

One can see why any board of directors trying to decide on an appropriate trans-national organisational design will have major problems.

Hofstede's fascination for the different behaviours and beliefs about organisations shown by different nationals in one trans-national company was developed when he was personnel director of a computer manufacturer he identifies as "Hermes." A natural researcher, Hofstede was able to spend some 14 years in this position on researching the basis of national cultures.

The objective and structure of the book tends more to stimulate thought than provide immediate scope for management action. As such it is eminently readable, but "practical men" are urged to read the thoughtfully provided summaries of the main findings of Chapters 3 to 6 and then read on from Chapter 7.

I found his masterly synopsis of the basis of culture, and the consequent "mental maps" of the world that different managers are trying to organise, of immediate help in discussing and bringing into the open what are often taboo subjects in many international organisations. His "maps" are literally that—two-dimensional diagrams that show the relationships of his vast 40-nation sample on any two of his four main dimensions. Showing these maps to people of different nationalities working together is usually sufficient to shed immediate light and release tensions that have been stored too long.

Yet there is so much more here about the way we structure our own beliefs, stereotype others within our national cultures that the management educators will have an exhilarating time developing processes by which this data can be made operational for managers.

Hofstede's work has implications for governments as well because it shows regular patterns of national groupings. He argues, for example, that the Roman Empire still has a noticeable effect on national cultures in a significant part of the world—most of the Latin and Mediterranean countries and their later Imperial conquests. Asian countries usually cluster within quite tight cultural boundaries, except Japan. So do the North Europeans and their later colonies.

He points out that religion is not as important as national culture in determining the mental maps of people. Moreover, he argues that language does not determine culture, quoting multi-lingual, multi-cultural Switzerland and multi-lingual, mono-cultural Belgium.

Testing

The impressive range of his survey was followed through for five years by testing against independently gathered data—from anthropological research to United Nations-gathered GNP per capita figures. His four dimensions stand up remarkably well and do seem to be a breakthrough for managers trying to grapple with organising across national boundaries.

The book is a rich mine of stimulating thoughts and good academic research. It does add a new dimension to managerial studies and it will be interesting to see how soon it is before the management schools and consultancies begin to offer management anthropologists as part of their teams. Hofstede is ahead of them. He formed the Institute for Research into Inter-cultural Co-operation in the Netherlands at Christmas.

Bob Garratt is an international management consultant and director of Nordic Ventures.

A tolerable alternative to economic catastrophe

By PETER RIDDELL

The Political Economy of Tolerable Survival, edited by Maxwell Gaskin, Croom Helm, price £12.95

GLOOM AND doom is very much the fashion nowadays. So a book which admits the possibility of survival is a welcome change. A common theme of this collection of essays is that Britain does not face "imminent social or economic catastrophe." The essays, based on discussions at the British Association meeting in 1979, examine the scope for securing "tolerable" outcomes from Britain's present difficulties. The authors are economists, sociologists and political scientists. While the book is not entirely free from the jargon of these disciplines, the essays offer the lay and business reader a stimulating view of current problems in a broader and longer-term context.

Professor Maxwell Gaskin of Aberdeen University, the editor of the volume, raises the question of whether it may be over-dramatic to use the term "tolerable survival" since this by implication lends support to the mood of pessimism and apprehension. It is possible to be deceived by the eternal myopia of the present. For example, the historically-minded critic might argue that every age finds the going difficult and is prone to apocalyptic fears. He might well proceed to show that despite the worrying trends in the present-day economy, it is not difficult to draw favourable comparisons between the present and some past period.

This is a fair point—for instance by comparing current standards of living, housing and clothing with those of the 1930s. But, as Prof. Gaskin points out, "comparisons of this kind do not remove the doubts, particularly in Britain where we contemplate a long phase of absolute political decline and a much longer period of relative economic decline. . . This pessimism is reinforced by doubts about future growth rates, and by our apparent inability to produce the flexibility and dynamic response that a highly competitive and rapidly changing world demands."

In assessing the tolerability of the future the authors stress the twin problems of inflation and unemployment. These are seen as central to people's apprehensions and to the prospects for a continuing liberal political order.

Significantly, the authors generally regard inflation as a more serious danger than unemployment. Professor David Marquand of Salford University, a prominent member of the Council for Social Democracy, doubts if the present level of unemployment poses a direct threat to liberal democracy. But, he argues that "although high levels of unemployment are almost certainly compatible with social and political stability, they are incompatible with the moral values on which the liberal democratic system is ultimately based."

Inflation, or rather accelerating inflation, is seen as the main threat to "tolerable survival" since it reflects distributional conflicts between groups in society. Professor Marquand argues that if group conflicts become more bitter and if, at the same time, wider social loyalties are attenuated, the strain on the liberal democratic system must become heavier, and the system's capacity to cope with the strains must become weaker. Inflation, which is generally expected to accelerate is almost bound to have these consequences.

Professor Marquand believes that "tolerable survival" implies the resumption of economic growth and the containment of inflation. This point is also examined by Colin Crouch of the London School of Economics, who says that initiatives must be sought in the political as well as at the economic level.

The authors also discuss specific economic and social issues such as monetarism (Professor Patrick Minford), North Sea oil (Professor Colin Robinson), and technological change (Professor Tom Stonier).

There is no attempt to produce any agreed answers and a depressing feature is that the solutions (such as more open discussion of distributional issues in new bodies) have often been partially attempted, and have not worked.

In conclusion, Prof. Marquand suggests that if "we are to survive tolerably" a good way to begin would be to acknowledge that Adam Smith and Karl Marx both died a very long time ago.

Other recent publications

WITH AN economy in recession and companies looking for any means to contain cash within their organisations it is not surprising to see a whole host of financial books on the market. Among those recently published are the following: Cash Flow Management, by J. R. Smith, 2nd Edition. Woodhead-Faulkner, Cambridge, price £8.75. This is a basic guide to the subject and looks at a variety of ways in which cash flow can be improved. Not surprisingly, given that it is published in association with Alex Lawrie Factors, it deals extensively with the concepts that lie behind factoring.

Strategic Financial Planning, a Manager's Guide to Improving Profit Performance, by Harold Bierman, Collier Macmillan, price £9.95. This is seen as a step-by-step guide to the alternatives available to managers in allocating a company's financial resources. It looks at a number of different strategies—for decision making under inflation and for capital budgeting decisions among others—and also at different management methods.

International Business Finance, by Douglas Wood and James Byrne, Macmillan, price £20. Looking back at the upheavals of 1973-74, the authors say that despite the instability that followed, international companies have shown powers of adaptation and survival. They argue that this is because a mix of manufacturing locations, product markets and operating currencies add to, rather than detract from stability. The implication is that portfolio considerations rather than individual cases should therefore dominate in decision making, they suggest.

Tax Strategy for Companies, by Malcolm Gammie, 2nd edition. Oyez Publishing, price £10.50. This puts forward more than 200 suggestions on how companies can reduce their tax bills, with advice being given on how businesses can organise their tax affairs to the best advantage, how corporation tax can be kept to a minimum and how development land tax and VAT can be reduced.

Capital Allowances, by John Shock, Oyez Publishing, price £20. Allowances available on acquisition and during ownership of capital assets are analysed, together with the effects of sale and other disposal.

Two new books covering the marketing and advertising industries are as follows: The Marketing Casebook, Cases for Analysis and Planning, by A. J. Proudman, Associated Business Press, price £12.50. This is seen as providing topical coverage for a full course in marketing management, covering a wide range of consumer, industrial and service markets. The Effective Use of Advertising Media by Martyn Davis, Business Books, price £8.95. Setting out the range of advertising media available, this examines the research and services associated with each and illustrates how to evaluate the media when making an advertising decision.

Managers and how they should manage are a perennially popular topic. The following are among the latest titles:

Developing Managers for the 1980s, edited by Cary L. Cooper, Macmillan, price £15. This describes itself as a book that provides a platform for some leading U.S. and UK management educators to share their visions of the future of management education and development in the 1980s and over the balance of the 20th century.

Management and the World of Tomorrow, published by Gower Press, price £13.50. This covers the papers presented to the 18th management congress held under the auspices of the CIOS (World Council of Management) in New Delhi in 1978.

The Versatile Manager, a Grid Profile, by Robert R. Blake and Jane Srygley Mouton, Dow Jones and Irwin, price £13.95. This outlines the authors' own "grid" approach when motivating and communicating with subordinates, peers and superiors.

Tax and the way people work

By DAVID FREUD

Taxation and the Incentive to work by C. V. Brown, Oxford University Press. £3.95

ONE OF the central policies of the current Government has been direct tax cuts. The Chancellor announced in the 1979 Budget that cutting income tax at all levels was a keystone of his economic strategy since "this is the only way we can restore incentives and make it worthwhile to work."

The economic theory behind this statement is both complex and problematic. This book investigates the available British and American research on the topic, concentrating on how employees modify their hours of work when there are changes of taxation.

The research was originally prepared as a background report for an EEC Commission labour research programme, and to some extent it betrays its origins. For it is more concerned with reviewing the methodology of previous researchers than presenting their conclusions.

Disappointingly also, the main conclusion the book draws is that the topic is immensely complicated and that new basic data will have to be collected—taking years—before reliable results can be extrapolated.

The starting point is the economic theory which states that a taxpayer is pulled in two directions when tax rates change. On the one hand lower taxes mean he need work less to maintain the same standard of living. This is the "income effect." On the other hand, there will be a bigger reward for giving up an hour of leisure, known as the "substitution effect."

Since the two effects work in opposite directions, only empirical research can establish how in fact individuals react. But the problems of measurement are formidable. Social security benefits, income from other household members, overtime rates, the black economy, all muddy the measurement of changes in preference between work and leisure. Indeed, it looks as if some individuals do not understand their own budgetary constraints well enough to react appropriately to changes.

Looking at the 1979 Budget the book concludes tentatively that basic rate taxpayers—the vast majority—would not want to adjust their working hours. Those with higher incomes should work more, but since the evidence does not extend to high earners, this effect is particularly speculative.

WORLD STOCK MARKETS

Early Wall St. rise pared

MILDLY encouraging economic news gave Wall Street a firmer start yesterday, but most of the gain was lost by mid-session in another moderate trade.

The Dow Jones Industrial Average, 3.07 higher at 10.30 am, was only 0.42 up on balance at 940.10 by 1 pm. The NYSE All Common Index was a net 5 cents harder at $73.27, after touching $73.47, while advances led declines by only a seven-to-six margin at mid-session. Trading volume amounted to 27.87m shares, little changed from Tuesday's 1 pm level of 27.67m.

Analysts said a slower rise in industrial production in January raised hopes that the economy may slow and reduce upward pressure on interest rates and prices.

However, investors were worried about Congressional reaction to President Reagan's economic plan, due to be outlined in a speech to a joint session of Congress last night.

Some Retailers were weak. Volume leader Kroger lost ¼ to $24. A block of 275,000 shares were moved at $24. Marshall Field slipped ⅜ to $15⅜. A 50,000 share block was traded at $15⅜. J. C. Penney dipped ⅝ to $22½.

American Telephone raised its quarterly dividend but eased ⅛ to $52⅞. It rose a point on Tuesday in anticipation of the increase. Chesebrough-Pond's added ⅜ to $32⅜ on reportin ghigher fourth-quarter net earnings and a forecast rise in 1981.

Aetna Life slipped ⅞ to $31¼ in active trading. A block of 319,000 shares was traded at $31. Aetna reported lower fourth-quarter profits.

Viacom International reported sharply higher fourth-quarter profits but lost $1 to $45⅛. Milton Roy gained ⅞ to $17⅞. It reported higher fourth-quarter net profits and ended merger talks with privately-held W. H. Nichols.

THE AMERICAN SE Market Value Index, up 1.29 at 11.00 am, was a net 0.85 down at 336.05 at 1 pm. Volume 2.83m shares (2.50m).

Closing prices for North America were not available for this edition.

Canada

Markets remained in easier vein in another fair early business. The Toronto Composite index was 6.4 lower at 2,199.4 at mid-day. Oil and Gas lost 29.6 at 4,382.9 and Golds 2.7 at 4,055.1, while Banks, on the Montreal Exchange, receded 1.21 to 408.23.

Germany

With sentiment boosted by the Deutsche Mark's continued recovery against the U.S. dollar, Bourse prices generally rallied with the help of active foreign buying, particularly from OPEC countries. The Commerzbank index recouped 4.5 more at 674.5.

Among Motors, BMW rose DM 4 and Volkswagen DM 1.50, while Kaufhof advanced DM 2.50 in Stores. Chemicals had BSAF up DM 2.10, BAYER DM 2.50 higher and Schering DM 6 stronger. In Electricals, AEG, after recent marked weakness, ended a net DM 2.50 firmer at DM 59.00, after rallying to DM 60.10.

In Domestic Bond trading, prices were mixed to lower. Dealers said there was not any clear trend on the eve of a Bundesbank Council meeting where many observers expect a rise in key interest rates to be decided, mark-denominated Eurobonds were mixed.

Milan

Stocks forged ahead in feverish activity in the first session of the new operative month. The Banca Commerciale Italiana index jumped 11.31 to a new 1980-81 peak of 223.71.

The sharp rise of the market was unaffected by a one-hour suspension in trading caused by a bomb hoax at mid-morning and by warnings from several brokers that the broad gains of all sectors might trigger severe technical problems.

Heavy demand was focused on issues of the Insurance and Holding Company sectors and on companies with large real assets as refuge investments against inflation.

Brokers conceded that professional speculation played a significant role in yesterday's bullish trend, but added that the uncontrolled rise of the market was prompted by several factors, including liquidity and investment by large banks and holding groups.

Switzerland

Share prices were sharply higher in active trading. The Swiss Bank Corporation Industrials index rallied afurther 5.4 to 295.8.

The sharp fall of the dollar on Tuesday and its continued downward trend yesterday resulted in an upturn for the Swiss franc and spurred a wave of foreign buying of Swiss shares.

Banks and Financials, particularly sensitive to currency movements, were especially favoured. Union Bank rose SwFr 75 to SwFr 3,375 and Credit Suisse SwFr 59 to SwFr 2,659.

Tokyo

Speculatives mainly continued to decline but selective Blue Chips advanced, with the Nikkei-Dow Jones Average recovering 21.09 to 7,157.00.

The Tokyo SE index picked up 1.33 to 502.84, while rises outnumbered declines on the First Market section by 343 to 296. Trading was only moderately active with volume amounting to 270m shares, but was some improvement on the previous day's 220m.

Fuji Photo Film gained Y51 to a record Y1,040, encouraging some other Blue Chips, while fairly active buying by foreign investors in Large — capital issues also enlivened market sentiment.

Takeda Pharmaceutical climbed Y36 to Y819, Victor Japan Y50 to Y2,560, TDK Electronics Y30 to Y3,640, and Ajinomoto Y29 to Y839, but Canon retreated Y15 to Y796 and Sony relinquished Y10 to Y3,120. Oils were good performers, with Arabian Oil moving ahead Y20 to Y3,150 and Teikoku Oil Y40 to Y1,110, while Mitsui Mining was also outstanding with a rise of Y70 at Y790.

Weak spots elsewhere included Okuma Machinery, down Y32 at Y890, Toshiba Ceramic, off Y20 at Y851, and Minolta, Y7 easier at Y725.

Hong Kong

Following the recent sharp retreat, the market staged a good rally yesterday, although trading was fairly quiet. The Hang Seng index, which had fallen 124 points over the past seven trading days, recovered 23.78 to 1,550.29. Turnover on the four exchanges contracted to HK$368.12m from Tuesday's total of HK$461.19m.

Investor expectations that President Reagan's economic package would prove a bullish factor for markets was partly behind the rally.

Australia

The overnight improvement in the international Gold Bullion price and technical influences helped some Mining and Oil issues to rally but both sectors retained an overall easier tendency. Industrials were again mixed to firmer. The Australian All Ordinaries index, having fallen 29 points since February 10, hardened 3.0 to 644.1.

Market leader BHP rallied 15 cents to A$13.35, while among Gold shares Central Norseman gained 60 cents to A$7.00 and GMK 30 cents to A$6.80 but Emperor shed 10 cents to A$2.60 and Poseidon 5 cents to A$4.35.

Uranium issues were mostly unchanged except for Queensland Mines, down 40 cents at A$9.30, and Pancontinental, which gained 10 cents to A$9.60.

Johannesburg

Gold shares closed easier for choice with trading nervous ahead of President Reagan's economic speech. FS Geduld lost 75 cents at R50.25 but Buffelsfontein put on R2 to R43.

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

Indices

NEW YORK —DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO

NEW YORK ACTIVE STOCKS

DENMARK

FRANCE

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

ITALY

NORWAY

SWEDEN

SWITZERLAND

HONG KONG

SINGAPORE

SOUTH AFRICA

BRAZIL

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975.

COMMODITIES AND AGRICULTURE

Food price challenge by Mason

By Richard Mooney

MR. ROY MASON, Opposition agriculture spokesman, yesterday challenged the claim by Mr. Peter Walker, the Agriculture Minister, that the removal of EEC import levies would not reduce prices in UK shops.

Addressing a seminar in London, Mr. Walker repeated his assertion that EEC producers of bacon, butter, canned ham and lard would be more likely to increase their profit margins than to offer their products more cheaply to British consumers if he eliminated or reduced the subsidies by revaluing the Green Pound—the artificial exchange rate at which EEC farm prices are translated into sterling.

But Mr. Mason, who was in the audience, disagreed. "British consumers should get some benefit from a revaluation," he said. He also suggested that the Agriculture Minister was only waiting for this year's EEC farm price rises to be decided, hopefully in the spring.

Then, if the rises averaged 10 per cent or more, Mr. Walker would revalue the Green Pound by "between 2 and 4 per cent," he predicted. The revaluation was being kept as a bargaining point, he said.

Mr. Walker earlier told the seminar he hoped Britain, during its presidency of the EEC Council in the second half of this year, would be able to effect a change of direction in EEC agricultural policy towards a longer-term view rather than the short-term expedients which have characterised Council deliberations so far.

Strike by NZ meat workers

WELLINGTON—Meat workers' union members throughout New Zealand's South Island yesterday stopped work to protest at the arrest of 32 pickets at a fertiliser works in Dunedin.

Freezer workers in parts of the North Island are today expected to join the strike, which started after a man was sacked at the fertiliser plant. The strike could damage New Zealand's meat exports, they added.

The meat workers went on strike in sympathy with the fertiliser workers' union, which stopped work after the 32 pickets were arrested outside their plant.

Community defends policy on Soviet butter sales

BY LARRY KLINGER IN BRUSSELS

THE European Commission admitted yesterday that it was impossible to know the level of EEC butter sales reaching Russia indirectly. But it denied that the community's commitment not to undermine the U.S. grain embargo was being endangered.

The EEC has undertaken to keep sales of agricultural produce to the Soviet Union down to traditional levels.

The Commission recently tightened its rules on obtaining proof of final destination for subsidised butter exports. But it admitted that if the Soviet Union were willing to pay the full, unsubsidised Community price, there are many EEC traders prepared to conclude the deals.

Furthermore, there was no effective way to police clandestine re-exports of subsidised produce outside the Community. A Commission official said it could not send a policeman with every consignment.

No subsidised EEC sales to Russia have been approved this year for butter or butter-oil and the Commission has allowed only 40,000 tonnes to Eastern Europe (excluding the special aid package for Poland).

This, it said, was only about half of the "traditional" amount of direct sales to Russia. Any resumption of direct sales would be expected to be referred to the EEC member states.

British and West German opposition to any direct sales to Russia while the U.S. grain embargo is in force is now supported by many of the other EEC member states, partly because the EEC butter surplus has recently shrunk to more manageable levels.

Butter and butter-oil can be considered a grain substitute in that they might alleviate a Soviet shortage caused by the slaughtering of cows due to a direct feed shortfall or to supplement beef production cut by the U.S. embargo, imposed in response to the invasion of Afghanistan.

The Commission said average butter sales to Russia in the past three years were 70,000 to 80,000 tonnes.

Grain embargo to remain for 'foreseeable future'

WASHINGTON — Several farm-state Congressmen and Senators, after Monday's meeting with President Reagan, said they got the impression the partial grain embargo against the USSR would remain for the "foreseeable future."

They said no timetable for making a final decision on lifting or broadening the embargo.

Senator David Durenberger said the embargo question had to be linked to foreign policy issues such as the situation in Poland and overall relations with the USSR.

Mr. Durenburger said the embargo could not be lifted overnight, and there would have to be consultation with U.S. allies.

He noted that the President had reaffirmed his desire to lift the embargo, but timing was the main question.

Sugar price rallies after EEC sales

By John Edwards, Commodities Editor

WORLD SUGAR prices rallied strongly on the London terminal market yesterday after news that the EEC Commission had authorised the export of 77,250 tonnes of white sugar.

Last week the EEC only permitted sales of 10,200 tonnes and it was felt that the increased authorisations this week indicated an encouraging demand from the trade.

But behind the increase in EEC sales was the fact that the export levy was cut to 1.159 European currency units per 100 kilos, compared with 6.022 units a week ago. This cut reflected the decline in world market values during the past week.

The market, in fact, opened on an easier note yesterday with the London daily price for raw sugar being cut by £10 to £245 a tonne.

On the futures market the May position fell to £246 at one stage before recovering to close at £262.25 a tonne, over £6 up on the previous close.

More buying interest was reported to have been stimulated at the lower price levels. But traders feel that the future trend still depends largely on whether the Soviet Union decides to resume buying.

Portugal crops hit by drought

BY DIANA SMITH IN LISBON

PORTUGAL'S worst drought for more than 50 years has devastated the country's vital grain crops.

It is estimated that the 1981 rice crop of some 150,000 tonnes has been totally lost. And wheat production is expected to drop to less than 200,000 tonnes compared with last year's 380,000 tonnes.

Even in a good year, Portugal must import more than half its essential foodsstuffs, and recent increases in international grain prices make the implications even more drastic for the country's economy.

Not only drought but also frosts have harmed the potato fields, which produce the staple of low-income diets, and the orchards and citrus groves.

The Government has stepped in with a moratorium on repayment of farming loans for 1981 and emergency cheap credits for farmers whose crops are worst affected.

But with no signs of the drought easing, further steps have had to be taken to maintain the size of herds after a rash of emergency slaughtering and to encourage increased pastures or production of hay and other animal feeds.

The government will also guarantee through imports special animal feeds with a high moisture content.

So far about Es 1.45bn (£10.8m) has been allocated in direct subsidies and subsidised credit to livestock breeders and producers of animal feeds.

And a ban has been placed temporarily on meat imports, in the hope of stabilising prices to the breeder, after a sudden drop caused by emergency slaughtering.

The drought has highlighted the structural defects of Portuguese agriculture which is struggling to prepare itself for accession to the European Economic Community in 1983 or 1984.

With an area of 96,000 square km and a population of 9m, Portugal has 800,000 tiny farms producing subsistence crops.

Attempts to persuade small farmers to merge their farms with those of neighbours or relatives to permit greater yields and some mechanisation have largely failed.

Medium range forecasts promise some rain for early March. According to the Government, if this happens, it might be possible to recover some grain production with March sowings.

But, generally, the damage has reached such proportions that 1981 is likely to be one of the worst agricultural years in Portuguese history.

The timing is particularly unfortunate, since the country faces an imported oil, coal and electricity bill of over $3bn at a time when it is attempting to force industrial and agricultural growth without excessive inflation.

Colombia coffee contract offer

By Our Commodities Staff

THE COLOMBIAN Coffee Growers' Federation is offering less attractive terms on contracts to roasters this year than in 1980, but no shortage of takers is expected as Colombia produces a high quality coffee which is difficult to substitute and roasters will be keen to secure supplies.

The new contract, announced yesterday, will give buyers less protection against subsequent price declines and will reduce scope for forward purchasing from three months to 60 days.

Supplies of coffee have been relatively tight so far this year with low world prices triggering reductions in export quotas.

This has resulted in severely restricted trade hedge selling against physical purchases and with speculative trading at a low ebb because of the dull market conditions in recent months activity on the London futures market has slowed down considerably.

KARAKUL PELTS

South Africa fur trade feels the pinch

BY A CORRESPONDENT

THE SOUTH AFRICAN and Namibian (South-West African) karakul pelt industry has been stunned by a dramatic fall in the prices paid by international buyers for its products.

Prices fell by an average of 20 per cent at the most recent auction of karakul (also known as Persian lamb) pelts, held in London last week, compared to prices at the previous auction last November.

The price of white pelts, which fortunately for producers account for only 1 per cent of total production, plunged by 51 per cent.

The latest price fall comes on top of a steady decline of between 50 per cent and 10 per cent at each of the five auctions held last year.

Part of the fall is due to exchange rate fluctuations, particularly the strength of the South African rand. And there has been a sharp drop in demand for karakul in West Germany, which normally accounts for 60-70 per cent. of total purchases of Swakara Furs, the trade name of the pelts produced in South Africa and Namibia.

High interest rates, weak consumer demand, the long preparation time needed for some types of karakul and a consequent reluctance by distributors to build up reserve stocks are among the reasons for lower purchases at the auctions.

The South Africans have also been unable to find alternative markets. Although demand in Italy, France and Spain remains firm, the market in these countries for karakul pelts is small.

U.S. buyers took almost the entire Swakara production shortly after the last war. But by the 1950s, mink had replaced karakul as the most fashionable fur.

According to Mr. Peter McDonald, chief director of the International Karakul Secretariat in Windhoek: "We have been struggling to get back ever since."

Karakul furs are slowly coming back into fashion in the U.S., but the South Africans do not have the resources to mount a sustained or effective marketing campaign.

South Africa and Namibia, taken together, are by far the world's largest karakul pelt exporters. Their combined exports last year amounted to 4.8m pelts, of which South Africa's production was 1.9m and Namibia's 2.7m.

By contrast, the soviet union (the world's leading producer) exported about 2m pelts, and Afghanistan roughly the same number.

South Africa and Namibia's foreign exchange earnings from karakul fell to R67.8m (£38.3m) last year from R79.7m in 1979. Average auction prices in 1980 were R14.23 a pelt, compared to R16.10 the previous year and a record of R17.82 in 1976.

There is little doubt that this year's average will be considerably lower.

The industry's problems have been exacerbated by a severe drought in several key areas, notably southern Namibia and the north-western Cape. These regions have not shared in the widespread rains which have fallen over most parts of southern Africa in the past month.

Unless it rains soon, many of the 4,500 karakul farmers will be forced to slaughter large numbers of lambs, adding appreciably to the supply of pelts. (Lambs used for pelts are slaughtered within 24 hours of birth.)

On balance, however, it seems that pelt production this year will be well down on 1980, perhaps by as much as 20-25 per cent.

Domestic meat prices have risen sharply in the past six months, and meat production is becoming more attractive than pelts.

Anticipating a further fall in karakul prices, the Namibian meat board doubled the slaughtering quota for small livestock at the beginning of February to 3,000 animals a week.

Mohair production may fall by 15%

JOHANNESBURG — South African mohair production in this year's summer season could fall 15 per cent to about 2.6m kilos from 3.07m in the 1980 winter season.

Mr. Johan Engelbrecht, Mohair Board marketing manager, yesterday said Angora goat fleece weight was suffering because of malnutrition caused by very dry weather over the past year.

South Africa has the world's largest mohair clip, which totalled 6.12m kilos last year.

Mr. Engelbrecht forecast slightly higher angora goat numbers in South Africa this year, but said this would be more than offset by the decline in fleece weight.

The first effects of the drought were seen in the second half of 1980 when Mohair output from the winter clip was little changed from earlier summer clip production, he said.

Normally, winter clip volume comfortably exceeds output from the summer season.

The weather in South Africa's main mohair producing region around Port Elizabeth has been extremely dry, and despite some January rain and the possibility of more in coming months no significant improvement in the summer clip is foreseen, said Mr. Engelbrecht.

Over half the clip was shorn, as normal, in December and January, so further rain could only improve the smaller part of the clip shorn after February, he added.

About 100,000 kilos of mohair is used in South Africa each year, mainly by hand weaving industries.

The remainder of the clip is generally exported, and in 1979-80 Britain took about 36 per cent, Japan 19 per cent and Italy, France, West Germany and Belgium totalled about 41 per cent.

South African mohair exports fell to 4.98m kilos in the 1979-80 marketing year from 5.44m the previous season. The latest mohair board report shows this was caused by increases in overseas banks' interest rates and declining prices in the world market.

Reuter

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Marginally firmer on the London Metal Exchange. Forward metal traded quietly in a £5 range prior to closing the afternoon kerb at £802. Turnover 16,950 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	775.5-6	—.5	776-8	+1.5
3 months	799.5-800	+.5	800-1	+1.75
Settlem't	776	—.5	—	
Cathodes				
Cash	772.5-3	—.75	772-5	—.5
3 months	785.5-7	+1.25	785-7	+1.5
Settlem't	773	—1	—	......
U.S. Prod.	—		*82-6	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £776, 75.5, 76, three months £800, 799.5, 99, 99.5. Cathodes, cash £773, 72, 73, three months £787. Kerb: Wirebars, three months £799.5, 99. Afternoon: Wirebars, three months £801, 1.5, 1, 800, 800.5. Cathodes, cash £773, 72, three months £786, 87. Kerb: Wirebars, three months £801, 1.5, 2, 2.5, 3, 2.5, 2.

TIN—Barely changed on balance. Forward metal held steady at £6,100 on the pre-market reflecting the rise at Penang. However hedge selling pared the price to £6,050 during the morning rings. In the afternoon heavy buying from one quarter lifted three months to £6,080 prior to a close on the late kerb of £6,065. Turnover 1,345 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5905-10	+2.5	5920-5	—7.5
3 months	6060-5	......	6070-5	—15
Settlem't	5910	......	—	......
Standard				
Cash	5905-10	+2.5	5925-30	—2.5
3 months	6060-5	......	6070-5	—15
Settlem't	5910	......	—	......
Straits E.	$630.75	+0.85		......
New York	—	......		

Morning: Standard, cash £5,900, 05, three months £6,050, 60, 65. Kerb: Standard, three months £6,060. Afternoon: Standard, three months £6,050, 70, 75, 70. Kerb: Standard, three months £6,075, 80, 70, 65.

LEAD—Unchanged. Forward metal traded around £306 throughout the morning but edged up to £309 in the afternoon following persistent buying of cash metal. Profit-taking pared the price to £307 on the late kerb. Turnover 5,600 tonnes.

Morning: Cash £297, 97.5, three months £306, 7, 6, 6.5, 7, 6, 6.5. Kerb: Cash £297.5, three months £307. Afternoon. Three months £308, 8.5, 9, 8.5, 8. Kerb: Three months £308, 7.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	297-.5	+2	297-8	......
3 months	306.5-7	+2	307-8	—.25
S'ment	297.5	+2	—	......
U.S. Spot	—	......	*30	......

ZINC—Little changed with forward metal moving in a narrow range prior to closing the afternoon kerb at £324.5. Turnover 8,675 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	311-.2	—1.75	312-3	—1
3 months	323-4	—1.75	323.5-4	—1.5
S'ment	312	—1.5	—	......
Primw'ts	—	......	*41.5	......

Morning: Cash £313, three months £326, 25.5, 25, 24, 23. Kerb: Three months £324, 23.5, 24. Afternoon: Three months £324, 23.5, 24. Kerb: Three months £324.

ALUMINIUM—Barely changed with the market influenced by currency fluctuations. Forward material opened at £647 and fell away to £642 before recovering to close the late kerb at £646. Turnover 6,625 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	629-30	—2.5	631-2.5	—1.25
3 months	642-3	—3.5	645-.6	—1.75

Morning: Three months £644, 43, 43.5, 43, 42.5, 42, 42.5. Kerb: Three months £642. Afternoon: Three months £642, 43, 44, 45. Kerb: Three months £646, 46.5, 46.

NICKEL—Unchanged with forward metal closing the late kerb at £2,752. Turnover 318 tonnes.

CORAL INDEX: Close 487-492 (+4)

Oil Index
Refined April '81 $42.60

Oil Futures
Refined May '81 $42.45
Crude April '83 $42.60

PUBLIC NOTICES

COFFEE

In line with expectations robustas opened with marginal losses in thin volume and mixed dealings, reports Drexel Burnham Lambert. Currency factors attracted some small scale arbitrage transactions, but trade buying emerged around the lower levels and prices continued to consolidate in the recent range.

ICO indicator prices for February 17 (U.S. cents per pound): Other Mild Arabicas 126.00; Robustas ICA 1976 115.13; ICA 1968 115.38. Unwashed Arabicas unquoted (same). Comp. daily ICA 1968 unquoted.

GRAINS

SILVER

COCOA

RUBBER

an fob February price for No. 1 RSS in Kuala Lumpur of 300.75 (298.75) cents a kg. and SMR 20 at 261.5

Sales: 85 (159) at 15 tonnes and 1 (same) at 5 tonnes. Physical closing prices (buyer) were: Spot 58.50p (55.50p). March 61.25p (same). April 61.50p (61.25p).

SOYABEAN MEAL

SUGAR

POTATOES

COTTON

WOOL FUTURES

PRICE CHANGES

MEAT/VEGETABLES

AMERICAN MARKETS

NEW YORK, February 18.

CONCERN OVER deliveries in the spot contract led to aggressive short covering, trade buying and limit advances. Aggressive bidding against EEC tenders rallied the sugar market. Cocoa rallied temporarily on short covering, coffee declined moderately. Copper gained moderately on light trade support.

Tuesday's closing prices

EUROPEAN MARKETS

ROTTERDAM, February 18.

INDICES

FINANCIAL TIMES

Feb. 17	Feb. 16	Month ago	Year ago
254.13	253.64	256.86	308.70

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	Feb. 17	Feb. 13	Month ago	Year ago
Spot	422.16	432.65	434.36	442.92
Fut's	457.02	457.48	457.84	459.12

(Average 1924-25-26=100)

MOODY'S

Feb. 17	Feb. 16	Month ago	Year ago
1168.0	1163.7	1195.4	1435.0

(December 31, 1931=100)

REUTERS

Feb. 18	Feb. 17	Month ago	Year ago
1693.7	1691.8	1698.6	1760.4

(Base: September 18, 1931=100)

Leading shares extend recovery despite pit crisis
Demand for Gilts enables activation of tap stock

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 26	Feb. 5	Feb. 6	Feb. 16
Feb. 9	Feb. 26	Feb. 27	Mar. 9
Mar. 2	Mar. 12	Mar. 13	Mar. 23
Mar. 16	Mar. 26	Mar. 27	Apr. 6

* "New time" dealings may take place from 9 am two business days earlier.

Encouraged by hopes that the Government's decision to bring forward the discussions on pit closures with the National Coal Board and miners' leaders could take some heat out of the escalating situation, equity markets developed a distinctly better tone yesterday after the recent bout of nervousness.

Revived speculation about a reduction in Minimum Lending Rate also helped to restore confidence and led to renewed firmness in Gilt-edged securities. Demand in the sector was sufficient to enable the Government broker to activate the £20-paid short-medium tap, Treasury 12 per cent 1986, for the first time, selling stock at 20 1/16 and withdrawing at that level. Other stocks in this area made good progress and showed gains extending to ½ before easing back in places to close around ¼ up on balance. Longer-dated issues again tended to be overshadowed, but showed modest improvements on the day.

Leading industrials opened a shade higher and institutional buyers soon showed interest at the enhanced levels. With stock often in short supply, quotations *were quick to respond and this* was reflected in the FT 30-share index which extended a rise of 3.4 at 10.00 am to one of 5.9 an hour later. However, enthusiasm *was eventually tempered by* caution awaiting the outcome of the pit talks and today's MLR decision with the result that the index drifted back to close 3.8 *up on the session at* 489.3.

Of the sectors, Stores became unsettled following Woolworth's decision to pursue an aggressive new price cutting policy for the *remainder of the year.* Oils remained out of favour, sentiment here not being helped by a broker's adverse circular. Elsewhere, the steady flow of new bids continued with **Crown House** appearing on the scene with a cash offer worth 80p per share for **Denbyware.**

Demand for Traded options fell away sharply and only 290 trades were arranged, compared with Tuesday's 758 and last week's daily average of 806.

Banks quietly firm

Crest International Securities, which staged a successful debut on the Unlisted Securities Market on Monday, gained 2 to 15½p aided by call option business.

The volume of business in the major clearing banks again left much to be desired but a slightly firmer tone was evident by the close. **Barclays** added 3 at 395p as did **NatWest** at 295p. Elsewhere, improvements of 10 and 15 respectively were seen in **Brown Shipley**, 375p, and **Bank of Ireland**, 295p. Among Hire *Purchases*, **FNFC** *gained a penny* to 33½p and the **Warrants** a fraction to 4½p on revived speculative demand fuelled by suggestions that Lloyds and Scottish *might bid for the company now* that it has withdrawn from the UDT scene.

Firmer conditions returned to Lloyds Brokers. **Willis Faber** *ended 8 to the good at 290p and* **Stewart Wrightson** closed 5 higher at 222p. **C. E. Heath** improved 2 more to 212p. **Brentnall Beard** moved against the *trend, easing a penny further to* 18p, for a two-day reaction of 3 since publication of the heavily qualified annual report and accounts.

The *undertone in* Buildings was quietly firm and, among the scattered gains, **Blue Circle** rose 4 to 388p and **Tarmac** 5 to 298p. Buying in a market none too well *supplied*, with stock lifted **Tunnel "B"** 10 to 298p. Elsewhere, **Barratt Developments** and **Arnelifte** improved a couple of pence apiece to 176p and 31p respectively on hopes of lower Mortgage Rates. **Conder** firmed 5 to 114p and **Y. J. Lovell** edged up 4 more to a 1980-81 peak of 238p. **H.A.T. Group** attracted speculative support and put on 2 to 54p while, in Timbers, **Magnet and Southerns** added 4 at 146p. **British Dredging** revived with a gain of 2 to 21p.

Interest in **ICI** remained in low *key, but the close was 2 firmer* at 294p. **Fisons** encountered support and rose 11 to 138p; the preliminary results are due March 2. Among other Chemicals, **Stewart Plastics** hardened 2 to 100p, while **William Ransom** moved up 5 to 195p, the latter in a thin market.

Woolworths weaken

Leading Stores opened higher, but sentiment was upset by Woolworth's announcement of a substantial price-cutting campaign. *Woolworth ended a shade* above the worst at 54p, down 3, and **Boots** shed a similar amount at 241p, but most other issues merely reverted to overnight *levels. Mail-orders attracted* fresh support and **Empire** touched 140p before settling for a net gain of 4 at 136p. **Grattan Warehouses**, 72p, and **Freemans**, *122p, added 2 apiece.* **Sumrie** improved a penny more to 42p on news that Mr. Harvey Michael Ross now holds a 10.1 per cent stake. **J. Hepworth**, *depressed of late following the* announcement that British Land has reduced its holding, rallied a couple of pence to 94p. **Kean and Scott** added 2 more to 44p, but **Cornell Dresses** met with fresh profit-taking and slipped 3 to 73p. **B. Paradise** also shed 3 to 47p, and the new nil-paid shares came back 1½ to 2½p premium.

Plessey became a volatile market ahead of next Thursday's interim results, moving between 304p and 298p before closing a net penny cheaper at 300p. Other Electrical leaders trended slightly firmer, **GEC** and **Racal** closing 3 better at 635p and 340p respectively.

F. Pratt were pushed to a new 1980-81 peak of 123p in the early trade on hopes that Bardsey, which recently acquired a near 13 per cent stake in the company, would soon announce a full-scale bid, but retreated to close the day a net 4 lower at 110p following liquidation of some speculative positions; **Bardsey** gained 2 to 25p, after 27p. Elsewhere in Engineerings, **Birmid Qualcast** touched 20p before finishing only a fraction off on balance at 21p after disappointing preliminary results. **G. M. Firth (Metals)**, on the other hand, rose 5 to 67p, after 68p, awaiting news from the discussions currently taking place with an unnamed concern which could lead to Firth's *trading operations being significantly enlarged;* the interim results are also due next Thursday. In common with other market leaders, Engineering *majors gained ground in thin* trading. **GKN**, 150p, **Hawker**, 270p, and **Tubes**, 186p, all rose 4, while **John Brown** appreciated 2 to 73½p.

Speculative counters provided the main features in Foods. **Barker and Dobson**, a neglected market of late, put on 3½ to 16p as bid rumours revived, while ***British Vending**, in which Nestles* hold a near 30 per cent stake, rose 2 more to 26p. **Cullens "A"**, the subject of considerable speculative activity recently, *gained 4 to a 1980/81 peak of* 198p. **Chambers and Fargus** improved a penny to 42p; Mr. Harvey Michael Ross has transferred part of his stake in the *company to Ross Oils. Elsewhere,* **Meat Trade Suppliers** put on 3½ to 86p on second-thoughts about the interim results, while **Sidney C. Banks** gained 4 more to 109p. *Of the leaders,* **J. Sainsbury** remained overshadowed by a broker's cautious circular and shed 4 for a two-day fall of 18 to 347p, but **Kwik Save** attracted fresh investment support and closed 5 up at a 1980/81 peak of 180p.

Grand Metropolitan, helped by the quarterly statement from newly acquired subsidiary Liggett, firmed 4 to 166p. Elsewhere in Hotels and Caterers, **Epicure** gained 2½ to 28p in response to the good half-year results.

Denbyware up on bid

Denbyware were marked up to 80p to match the terms of the surprise bid from Crown House and moved higher still to close a net 13 better at 86p on speculation of a better bid; Minster Assets have recently increased its stake in the group to over 15 per cent. Elsewhere in miscellaneous industrials, **Wedgwood** gained 5 to 60p on the better-than-expected third-quarter profits, while **Dalgety** *rose 6 to 279p following* the satisfactory interim results and accompanying chairman's statement. **PMA** advanced 5 to 31p after the announcement that it *is selling a subsidiary and property lease for* **£4.82m. Vinten**, still reflecting Press comment, put on 8 afresh to 206p. Recovery hopes helped **Sangers** rise 7 to 52p, while revived speculative support prompted an improvement of 4 to 140p in **Sharna Ware**. Investment demand brought a gain of 6 to 388p in **BTR**, but **Securicor** gave up 3 to 183p despite the increased dividend and profits. **Metal Box** stood out among the firmer leaders with a rise of 10 at 190p, while **BOC International** closed a couple of pence dearer at 120p, after 122p, the latter following the favourable first-quarter statement. **Beecham** put on 3 at 179p as did **Bowater** at 195p.

Adverse comment resulted in marked weakness in **BPC** which fell 3 to 13p, after 12p. Advertising agents **Geers Gross** continued to benefit from an investment recommendation and added 5 more to 70p, while **Saatchi and Saatchi** picked up 8 to 303p.

Properties edged higher on revived hopes of lower interest rates, **Land Securities** adding a couple of pence at 396p and **MEPC** a penny at 236p. **Percy Bilton** firmed 3 to 199p and **Rush and Tompkins** 4 to 220p, while **Greycoat Estates**, touched a 1980/81 peak of 202p before closing a net 3 dearer at 200p. **Estates and General** became a good market and improved a similar amount to 46p.

Oils subdued

Sentiment in Oils was not helped by a broker's adverse circular which tended to inhibit potential buyers. Lack of support left **British Petroleum** 4 cheaper at 388p and **Shell** similarly lower at 398p. **Ultramar** gave up 5 at 460p and **Lasmo** 10 at 630p. **Aran** also shed 10, to 335p; **Silvermines** placed 775,000 shares, approximately 7 per cent of Aran's equity, at 320p per share yesterday.

Among Overseas Traders, **Assam "B"** continued to make progress on fresh speculative buying and ended 8 up at 69p. **Sime Darby** added 2 to 85p; the interim results are expected today.

Renewed speculative support left **Reardon Smith**, 7 up at 180p, with the "A" a like amount dearer at 151p.

Rises in Textiles were usually attributable to Press comment, with **Illingworth Morris "A"** rising 2½p to 12½p, and **Lister** a couple of pence to 43p. **Sidlaw** firmed 3 to 122p behind the annual report.

Good speculative support from the Far-east, where the Straits Times index is close to its all-time peak, prompted useful rises among Plantations. **London Sumatra** rose 17 to 375p on hopes of an increased offer from **Harrisons and Crosfield**, 12 up at 812p. **Killinghall**, 570p, and **Castlefield (Klang)**, 510p, advanced 20 and 35 respectively, while **Malaysia Rubber** closed 12 to the good at 175p. **Barlow**, 119p, **Gedong**, 75p, and **Majedie**, 106p, added 6 apiece.

Golds easier

Activity in mining markets fell to minimal levels reflecting the uninspiring performance of precious and base-metal prices. South African Golds lost ground at the outset reflecting the initial decline in the bullion price.

Thereafter price changes were usually minor and the market closed a fraction easier. The Gold Mines index gave up 4.5 to 321.4, while the bullion price *closed $7 down at $497.50 per* ounce.

In the heavyweights **Vaal Reefs** fell a half-point to £30¾, while losses of ¼ were common to **Buffels**, £16¾, **President Brand**, £19, and **St. Helena**, £16½.

Financials were similarly quiet.

Platinums showed **Impala** 3 firmer at 335p following the half-year results announced after-hours on Tuesday.

Australians were mixed. Leading stocks tended to move ahead.

FINANCIAL TIMES STOCK INDICES

	Feb. 18	Feb. 17	Feb. 16	Feb. 13	Feb. 12	Feb. 11	A year ago
Government Secs.	69.30	69.16	69.09	69.01	69.07	69.10	65.95
Fixed Interest	70.88	70.67	70.65	70.63	70.55	70.44	66.94
Industrial Ord.	489.3	485.5	484.5	493.8	490.0	488.3	458.3
Gold Mines	321.4	325.9	316.5	314.2	307.0	314.6	337.1
Ord. Div. Yield	7.36	7.40	7.41	7.27	7.32	7.38	7.25
Earnings, Yld. % (full)	16.37	16.47	16.49	16.19	16.36	16.49	17.82
P/E Ratio (net) (*)	7.47	7.43	7.42	7.56	7.47	7.41	6.87
Total Bargains	22,327	22,224	23,797	19,630	20,386	21,735	18,991
Equity turnover £m.	—	104.62	111.65	119.61	129.09	109.93	92.95
Equity bargains total	—	16,941	17,163	15,228	15,128	19,503	14,398

10 am 488.9, 11 am 491.4, Noon 490.4, 1 pm 489.0
2 pm 488.8, 3 pm 489.1
Latest Index 01-246 8026
*Nil=6.90

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Od. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980/81 High	1980/81 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	72.54 (21/7/80)	63.86 (7/3/80)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	74.08 (24/7/80)	64.70 (10/3/80)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	515.9 (21/11/80)	406.9 (3/1/80)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	558.9 (22/9/80)	266.5 (18/3/80)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 18	Feb. 17
—Daily—		
Gilt Edged	147.1	157.0
Industrials	102.1	113.2
Speculative	33.6	34.5
Totals	73.4	80.2
5-day Avrge.		
Gilt Edged	153.5	125.7
Industrials	105.7	105.7
Speculative	29.4	29.7
Totals	73.1	78.1

NEW HIGHS AND LOWS FOR 1980/81

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980-81.

NEW HIGHS (56)

BRITISH FUNDS (10)
Treas. 8½pc '80-82; Exchqr. 5pc 1984; Treas. 8¼pc 1982; Treas. 3pc 1985; Exchqr. 9½pc 1982; Treas. 12pc 1986 (£20 paid); Exchqr. 8½pc 1983; Treas. 12pc 1987; Treas. 12pc 1983; Treas. 9½pc 1983

COM'WEALTH & AFRICAN LOANS (2)
Aust. 6pc '81-83; S. Af. 9½pc '79-81

BANKS (1)
Natl. Bk. of Australia

BUILDINGS (6)
Finlan (John); Lovell (Y. J.); H A.T. Group; M.D.W.; Jarvis (J.); Tunnel B

STORES (2)
Comet Radio Serv.; Sumrie

ENGINEERING (2)
Firth (G. M.); Pratt (F.)

FOODS (5)
Banks (Sidney C.); British Vending; Cullen's; Kwik Save; Do. A

HOTELS (1)
Epicure

INDUSTRIALS (10)
BOC Int.; L.R.C. Int.; Bestobell; Macarthys Pharm.; Bibby (J.); Renown Inc.; Gosforth; Smith & Nephew; Jacksons Brne. End; Vinten

INSURANCE (1)
Willis Faber

LEISURE (1)
Boosey & Hawkes

PAPER (2)
Geers Gross; Saatchi & Saatchi

PROPERTY (5)
Carlton Real; Greycoat Estates; Control Secs.; London Shop Prop.; Estates and General

TEXTILES (3)
Dawson Int.; Textured Jersey; Sidlaw Inds.

TRUSTS (4)
Aberdeen Invs.; Temple Bar; General Funds; M. & G. Hldgs.

OVERSEAS TRADERS (1)
Assam Trading

NEW LOWS (12)

AMERICANS (1)
Bankers N Y.

STORES (1)
Liberty

ENGINEERING (2)
Castings; Priest (Ben.)

INDUSTRIALS (6)
Duple Int.; Rexmore; Elswick-Hopper; Rolfe & Nolan; Magnolia; Vinera

PAPER (1)
BPC

TRUSTS (1)
Danae Cap.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	76	3	15
Corp. Dom and Foreign Bonds	17	2	46
Industrials	351	169	867
Fin. and Prop.	158	39	301
Oils	17	22	31
Plantations	12	1	10
Mines	43	48	74
Others	33	55	65
Totals	707	339	1,409

LEADERS AND LAGGARDS

Percentage changes since December 31, 1980, based on Tuesday, February 17, 1981.

Contracting, Construction	+14.99	Financial Group	+ 2.69
Hire Purchase	+13.97	Mechanical Engineering	+ 2.30
Tobaccos	+11.28	Metals and Metal Forming	+ 2.05
Building Materials	+10.10	Brewers and Distillers	+ 1.55
Insurance (Life)	+ 7.86	Other Consumer	+ 0.60
Property	+ 7.06	Merchant Banks	+ 0.36
Discount Houses	+ 6.36	Engineering Contractors	+ 0.32
Textiles	+ 5.23	Health and Household Products	+ 0.27
Other Industrial Materials	+ 5.09	All-Share Index	+ 0.22
Shipping and Transport	+ 4.75	Leisure	+ 0.06
Packaging and Paper	+ 4.71	Investment Trusts	− 0.07
Capital Goods	+ 4.60	500-Share Index	− 0.21
Insurance Brokers	+ 4.16	Office Equipment	− 0.48
Food Manufacturing	+ 4.09	Food Retailing	− 1.05
Stores	+ 3.87	Other Groups	− 1.87
Electricals	+ 3.50	Motors	− 5.17
Newspapers, Publishing	+ 3.30	Chemicals	− 5.56
Insurance (Composite)	+ 3.08	Banks	− 5.95
Consumer Group	+ 2.91	Mining Finance	− 6.79
Industrial Group	+ 2.84	Oils	−10.08
Overseas Traders	+ 2.71	Gold Mines Index	−20.02

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

		Wed., Feb. 18, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues. Feb. 17 Index No.	Mon. Feb. 16 Index No.	Fri. Feb. 13 Index No.	Thurs. Feb. 12 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (211)	302.58	+0.6	13.79	5.45	8.84	300.64	301.21	304.44	301.67	243.21
2	Building Materials (26)	272.83	+0.7	17.15	6.23	6.96	271.02	272.19	275.25	270.39	236.91
3	Contracting, Construction (26)	467.08	+0.4	19.54	5.44	6.15	465.05	467.96	467.40	460.43	368.47
4	Electricals (27)	995.13	+0.4	8.77	2.63	14.09	990.84	990.14	1004.90	998.99	629.58
5	Engineering Contractors (11)	403.10	+1.1	14.79	6.42	8.62	398.76	400.13	408.39	404.04	296.80
6	Mechanical Engineering (71)	177.50	+1.2	16.49	7.51	7.59	175.48	176.01	177.54	176.53	167.36
8	Metals and Metal Forming (13)	141.51	+1.0	18.64	11.80	6.80	140.16	140.91	142.83	140.75	162.10
9	Motors (21)	87.36	−0.1	21.97	9.49	5.24	87.42	86.93	87.18	87.26	111.26
10	Other Industrial Materials (16)	304.44	+0.8	15.05	7.05	7.90	302.04	303.99	304.53	301.07	[illegible]
21	CONSUMER GROUP (198)	246.07	+0.4	15.33	6.42	7.92	245.00	246.76	248.90	247.85	225.50
22	Brewers and Distillers (20)	269.64	+0.9	17.18	6.78	6.91	267.28	266.95	268.73	267.42	261.55
25	Food Manufacturing (23)	220.40	+0.3	17.84	7.19	6.65	219.67	220.66	221.38	221.52	202.43
26	Food Retailing (14)	460.97	+0.1	9.77	3.49	12.09	460.41	470.59	475.35	473.72	301.06
27	Health and Household Products (7)	268.56	+1.4	9.91	5.33	12.90	264.77	265.64	272.23	270.45	212.15
29	Leisure (22)	350.31	+0.4	15.96	6.53	7.73	348.82	351.35	352.76	358.91	302.84
32	Newspapers, Publishing (12)	439.07	—	20.79	7.10	6.24	438.95	442.14	443.13	440.10	447.56
33	Packaging and Paper (15)	121.78	+1.5	26.22	9.97	4.42	119.96	122.32	122.18	121.50	129.50
34	Stores (44)	254.62	−0.5	11.68	4.95	11.21	255.89	260.79	263.93	263.33	214.17
35	Textiles (21)	132.05	+0.6	19.46	10.22	6.72	131.20	132.14	132.85	132.10	132.95
36	Tobaccos (3)	224.79	+1.2	24.11	10.36	4.76	222.13	224.10	225.29	224.78	209.34
37	Other Consumer (17)	245.47	+2.5	13.53	8.62	7.88	239.57	241.22	240.17	238.50	[illegible]
41	OTHER GROUPS (79)	217.79	+0.6	18.03	7.84	6.63	216.47	217.01	220.00	217.59	209.16
42	Chemicals (15)	282.92	+0.8	20.65	9.38	5.67	280.59	279.37	287.36	282.64	309.57
44	Office Equipment (6)	101.26	+0.2	18.38	8.20	6.45	101.03	101.54	102.29	102.12	118.84
45	Shipping and Transport (13)	567.94	+0.9	13.33	6.47	9.30	563.03	569.07	571.94	564.23	473.62
46	Miscellaneous (45)	267.08	+0.3	16.59	6.39	7.42	266.20	268.08	268.29	256.83	246.44
49	INDUSTRIAL GROUP (488)	261.98	+0.5	15.14	6.26	8.01	260.63	261.79	264.44	262.61	230.23
51	Oils (12)	827.06	−0.9	29.04	6.36	3.84	834.93	849.03	869.83	870.21	812.41
59	500 SHARE INDEX	306.81	+0.2	18.05	6.28	6.52	306.17	308.34	312.41	310.75	276.07
61	FINANCIAL GROUP (118)	203.78	+0.3	—	5.52	—	203.17	204.76	205.97	206.25	193.97
62	Banks (6)	233.26	+0.5	43.86	7.31	2.73	232.16	233.12	240.39	242.51	227.47
63	Discount Houses (10)	305.98	−0.1	—	5.68	—	305.77	309.55	309.55	309.18	229.66
64	Hire Purchase (5)	225.40	+0.1	10.10	4.55	13.06	224.87	227.98	229.24	225.58	178.13
65	Insurance (Life) (10)	249.26	+0.1	—	5.29	—	249.01	249.82	254.46	260.24	167.99
66	Insurance (Composite) (9)	151.68	—	—	7.71	—	151.64	151.68	152.52	154.69	126.08
67	Insurance Brokers (9)	336.60	+1.1	13.59	6.88	10.10	332.94	335.22	336.73	316.45	279.00
68	Merchant Banks (13)	148.92	+0.3	—	5.80	—	148.74	148.42	150.27	149.35	120.17
69	Property (45)	478.72	+0.5	3.10	2.59	44.80	476.56	478.73	486.08	483.50	362.03
70	Miscellaneous (11)	174.94	−0.3	15.68	5.29	8.18	175.45	176.07	176.61	176.04	132.83
71	Investment Trusts (109)	282.82	+0.4	—	5.39	—	281.68	283.72	284.71	284.08	250.24
81	Mining Finance (3)	212.73	−0.3	15.35	6.31	7.76	213.47	209.70	204.27	209.16	212.15
91	Overseas Traders (20)	448.56	+1.9	11.39	6.79	10.70	440.02	438.62	433.58	437.53	415.79
99	ALL-SHARE INDEX (750)	293.45	+0.3	—	6.10	—	292.64	294.27	297.62	296.72	258.00

FIXED INTEREST PRICE INDICES

	British Government	Wed. Feb. 18	Day's change %	Tues. Feb. 17	xd adj. today	xd adj. 1981 to date
1	Under 5 years	107.62	+0.12	107.50	—	2.28
2	5-15 years	118.37	+0.51	118.03	—	1.89
3	Over 15 years	113.52	+0.10	113.38	—	1.66
4	Irredeemables	128.08	—	128.08	—	0.90
5	All stocks	110.23	+0.24	109.96	—	1.88

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

			Wed. Feb. 18	Tues. Feb. 17	Year ago (approx.)
1	Low Coupons	5 years	11.37	11.40	12.92
2		15 years	12.24	12.29	12.74
3		25 years	12.41	12.45	12.74
4	Medium Coupons	5 years	13.21	13.27	14.87
5		15 years	13.84	13.88	14.26
6		25 years	13.62	13.66	14.14
7	High Coupons	5 years	14.06	14.10	14.64
8		15 years	13.84	13.88	14.59
9		25 years	13.53	13.55	14.50
10	Irredeemables		11.61	11.60	11.50

		Wed., Feb. 18 Index No.	Yield %	Tues. Feb. 17	Mon. Feb. 16	Friday Feb. 13	Thur. Feb. 12	Wed. Feb. 11	Tues. Feb. 10	Mon. Feb. 9	Year ago approx
15	20-yr. Red. Deb. & Loans (15)	52.29	14.16	52.29	54.29	52.27	52.23	52.09	52.07	52.07	51.04
16	Investment Trust Prefs. (15)	50.71	13.35	50.71	50.71	50.89	50.89	50.64	50.64	50.64	50.66
17	Coml. and Indl. Prefs. (20)	67.28	13.54	67.32	67.85	67.14	67.14	66.38	66.38	66.32	61.61

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26½p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980-81 high	1980-81 low
Grand Met.	50p	9	166	+ 4	169	120
Boots	25p	8	241	− 3	258	158
Assoc. Dairies "New"	Nil/pd.	7	19pm	—	20pm	17pm
GEC	25p	7	635	+ 3	653	326
GUS "A"	25p	7	475	—	500	340
Imperial Group	25p	7	78	+ 1	89½	70
RTZ	25p	7	405	—	486	322
Sears Hldgs.	25p	7	55	− 1	58	35½
Acrow "A"	25p	6	28	+ 1	50	25
BP	25p	6	388	− 4	502	320
ICI	£1	6	294	+ 2	402	282
Metal Box	£1	6	190	+10	318	156
Plessey	50p	6	300	− 1	305	108
Pratt (F.)	25p	6	110	− 4	122	43
Reckitt & Colman	25p	6	196	+ 4	216	162

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Feb. 16	Feb. 27	May 28	June 8
Mar. 9	Mar. 20	June 11	June 22
Mar. 23	Apr. 3	June 25	July 6

For rate indications see end of Share Information Service

Call options were taken out in Fisons, Crest International, May and Hassell, FNFC, British Land, Burmah Oil, Hestair, Charterhall, Premier Oil, Valor, ICL, Inveresk and Birmid Qualcast. Puts were completed in Plessey, Marchwiel, Trusthouse Forte, BOC and J. Sainsbury, while Strata and BP were dealt in for the double.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980/81 High	1980/81 Low	Stock	Closing Price p	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
610	F.P.	—	650	600	Cramphorn	650		16.5	2.1	3.6	18.8
10p	Nil	—	15½	13½	Crest Int. Secs. 10p	15½					
5	F.P.	—	5½	5	Dunton 5p	5					
100	F.P.	—	102	95	New Darien Oil Trust	99	−1				
42p	F.P.	13/3	45	39	Oil & Gas Production	39					
4.4	F.P.	13/3	5	[illegible]	Do. (50.01 pd.)	[illegible]					
50	F.P.	13/3	[illegible]	12	Parkfield Foundr's	13		0.88	6.4	9.3	2.4
85	F.P.	21/1	56	50	Pennine	[illegible]					
50	F.P.	[illegible]	100	96	Sonic Sound Audio 10p	98					
92	F.P.	6/2	84	78	Westpool Inv. Defd	78					

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980/81 High	1980/81 Low	Stock	Closing Price £	+ or −
100p	F.P.	14/1	111	100½	Allied London 8½% Cnv. Uns. Ln. 1999	106	−½
[illegible]	F.P.	2/1	103	102	Comben 11.375% Cum. Red. Pref.	106	
[illegible]	F.P.	13/2	114	112	Crystalate 9½% Cnv. Uns. Ln. '99-2000	112	+1
[illegible]	F.P.	11/3	10½	10½	Essex Waterworks 9½% Red. Prf. 1985	10½	
95	£20	27/3	21	20½	Iceland 14½%	21	
£100	F.P.	13/2	41	41	Lon. Merchant Secs. 7½% Cnv. Uns. Ln.	41	
£99	F.P.	20/2	99½	99½	Mid-Sussex W'tr'k 9% Red. Deb. 1984-85	101½	
	F.P.	20/1	107p	100p	Paterson (R.) 11% Cum. Prf.	113	+1
	F.P.	13/2	119	113	Portals 9½% Cnv. 1994-2000	118	+1

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980/81 High	1980/81 Low	Stock	Closing Price p	+ or −
69p	Nil	27/2 27/3	59pm	50pm	Argyll Foods	54pm	+1
156	Nil	—	20pm	17pm	Assoc. Dairies	19pm	
30	F.P.	6/2 27/2	45	41	Bentima	45	
115	F.P.	12/1 26/2	160	134	Brotherhood P.	160	+1
54	F.P.	18/2 13/3	88	84	Hampton Trust	67½	+1
184	F.P.	29/1 13/3	209	188	Johnson, Matthey	209	+4
[illegible]	[illegible]	[illegible]	11	8	North Kalgurli Mines	11	
45p	Nil	—	5pm	2pm	Paradise B.	2½pm	−½
67	F.P.	16/2 27/3	85	71	Norcros	84	+1
320	F.P.	25/1 23/3	350	330	Royal Insurance	350	+2

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1979. Q Gross. T Figures assumed. † Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ‡ Unlisted Securities Market. ‡‡ London Listing. * Effective issue price after scrip. § Resulting from capitalisation settlement scheme. ☆ Units comprising 125 A Ord. & 6 12½% Cum. Pref.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Frankfurt Trust Investment—GmbH
Neue Mainzer Strasse 74-76, D-6000 Frankfort

FT-Interzins	DM37.34	40.83	−0.25	—
Frankft. Effekt. Fd.	DM49.62	52.23	+0.15	—

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.
NAV Dec. 31 | US$145.99 | — | —

G.T. Management Ltd.
Park Hse., 16 Finsbury Circus, London EC2
Tel: 01-628 8131. TLX: 886100
London Agents for:

Anchor 'B' Units	US$1.76	1.81xd		1.20
Anchor Gilt Edge	£9.21	9.27	+0.03	13.70
Anchor Int. Fd.	US$8.58	8.81xd		1.20
Anchor In. Jsy. Tst	40.8	43.6		2.75
Berry Pac Fd.	US$61.37			0.90
Berry Pac Strlg.	£3.29	3.4424		1.20
G.T. Asia Fd.	HK$21.32			1.17
G.T. Asia Sterling	£26.79	27.89		1.49
G.T. Australia Fd.	A$36.99		−1.13	0.78
G.T. Bond Fund	US$11.72		+0.08	11.16
G.T. Dollar Fd.	US$12.60			1.19
G.T. Dlr. (Strlg.) Fd.	13.26	13.81		1.13
G.T. Invest. Fd.	US$16.90		+0.02	0.59
G.T. Japan Small Cos.	US$16.60			—
Marianne (STG) Fd.	£10.45	11.02		3.30
G.T. Technology Fd.	US$21.90			—
G.T. Pacific Fd.	US$15.36		−0.30	2.28
G.T. Ocean Growth Fd.	US$11.35	12.18		0.43

Gartmore Invest. Ltd. Ldn. Agts.
2, St. Mary Axe, London, EC3. 01-283 3531
Gartmore Fund Managers (C.I.) Ltd. (a) (h)
[illegible]

Kleinwort Benson Group
20, Fenchurch St., EC3. 01-623 8000

Guernsey Inc.	86.2	91.6		5.34
Do. Accum.	116.8	124.0		5.34
K.B. Eurobond Fd.	£8.76	8.88		9.88
K.B. Far East Fd.	US$7.83			1.29
K.B. Gilt Fund	£9.79	9.86xd	+0.03	12.45
K.B. Int. Bd. Fd. Inc.	US$91.13xd			9.53
K.B. Int. Bd. Fd. Acc.	US$109.96			9.53
K.B. Intl. Fund	576.79			2.08

[illegible]

Save & Prosper International
Dealing to:
P.O. Box 73, St. Helier, Jersey 0534 73933
Fixed Interest Funds

Deutschmark Bd.	DM8.73	9.33	−0.12	5.91
Dlr. Fxd. Int.	US$7.86	8.38		8.95
St. Fixed	105.4	111.5		12.56
Yen Bond	Y1,007	1061	−7.0	4.71
Equity Funds				
Channel Capital	180.5	87.9xd	−1.0	2.38

[illegible]

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mgrs. (a)

Allen Harvey & Ross Unit Tst. Mgrs.

Allied Hambro Ltd. (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd. (a)(c)

Barclays Unicorn Ltd. (a)(c)(g)

Baring Brothers & Co. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Trust Management (a) (c) (g)

The British Life Office Ltd.

Brown Shipley & Co. Ltd.

Buckmaster Management Co. Ltd.

Canada Life Unit Tst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carr, Sebag Unit Trust Managers Ltd.

Charities Official Invest. Fund

Chieftain Trust Managers Ltd.

Confederation Funds Mgt. Ltd. (a)

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mgrs. Ltd. (a)(g)

Darlington Unit Trust Mgmt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmnt. Ltd.

Equity & Law Un. Tr. M. (a)(b)(c)

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Trust Mgrs. (a) (b) (c)

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a) (b) (c)

Hill Samuel Unit Tst. Mgrs.

Investment Intelligence Ltd. (a)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General (Unit Tst. Mngrs.) Ltd.

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngemnt. Ltd.

Murray Johnstone U.T. Mgmt.

Mutual Unit Trust Managers

National Provident Inv. Mngrs. Ltd.

National Westminster

NEL Trust Managers Ltd.

Northgate Unit Trust Managers Ltd.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt.

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schroder Unit Trust Managers Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Security Selection Ltd.

SIMCO Money Funds

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a)(g)

Target Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co. (y)

Tyndall Managers Ltd. (a)(b)(c)

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Aberdeen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Phoenix Assurance Co. Ltd.

Pearl Assurance

Premium Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capital Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngmt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capdiren S.A.

Capital Asset Managers Ltd.

Capital International Fund S.A.

Charterhouse Japhet

Clawton Commodities (Isle of Man) Ltd.

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Cortexa International

Craigmount Fixed Int. Mgrs. (Jersey)

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

G.D. Europe Obligations S.A.

F & C Mgmt. Ltd. Inv. Advisers

Fidelity International Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price £	+ or –	Int.	Red.
94¼	82¼	Aust. 5½pc '81-82	94½	+¼	5.95	12.78
85½	72½	Do. 6pc 1981-83	85½	+¼	7.12	12.82
67¾	58	N.Z. 7¼pc 1988-92	65½	+¼	11.20	13.56
82¼	72	Do. 7½pc '83-86	79	+¼	9.64	13.43
98¼	88	Sth. Africa 9½pc '79-81	98¼	+¼	9.94	16.03
160	95	S. Rhod. 2½pc Non-Ass.	120	+2	—	—
50	31	Do. 3½pc 80-85 Asstd.	48xd	......	7.29	22.10
32	20½	Do. 4½pc 87-92 Asstd.	28	......	16.12	22.40
381	270	Zimbabwe Ann (£100pa)	355	+5	—	26.35

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C.
Telex: 16527 Tel: 276 796

Birmingham: George Hse., George Rd., B15 1PG
Telex: 338650 Tel: 021-454 0922

Bonn: Presshaus 11/104 Heussallee 2-10.
Telex: 8869542 Tel: 210039

Brussels: 39 Rue Ducale.
Telex: 23283 Fax: 512 1404 Tel: 512 9037

Cairo: P.O. Box 2040.
Tel: 938510

Dublin: 25 South Frederick St., Dublin 2.
Telex: 25414 Tel: Dublin 603378

Edinburgh: 37 George Street, EH2 2HN
Telex: 72484 Tel: 031-226 4120

Frankfurt: Frankenallee 71-81
Telex: 416052 Tel: 7598 234

Johannesburg: P.O. Box 2128
Telex: 8-6257 Tel: 838-7545

Lisbon: Praca de Alegria 58-1D, Lisbon 2.
Telex: 12533 Tel: 362 508

Madrid: Espronceda 32, Madrid 3.
Tel: 441 6772

Manchester: Queen's Hse., Queen St., M2 5HT
Telex: 666813 Tel: 061-834 9381

Mexico City: Paseo de la Reforma 122-10, Mexico 6DF.
Tel: 53513-68

Moscow: Kutuzovsky 14, Apartment 1, Moscow.
Telex: 7900 Tel: 243 1635

New York: 75 Rockefeller Plaza, N.Y. 10019.
Telex: 66390 Tel: (212) 541 4625

Paris: Centre d'Affaires Le Louvre,
168 Rue de Rivoli, 75044, Paris Cedex 01
Telex: 220044 Tel: 297 2000

Rome: Via della Mercede 55.
Telex: 610032 Tel: 678 3314

Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7.
Telex: 17603 Tel: 50 60 88

Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku.
Fax: 245 0358 Tel: 241 2920

Washington: 914 National Press Building, Washington D.C. 20045
Telex: 440340 Tel: (202) 347 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road.
Telex: 338650 Tel: 021-454 0922

Edinburgh: 37 George Street.
Telex: 72484 Tel: 031-226 4139

Leeds: Permanent House, The Headrow.
Tel: 0532 454969

Manchester: Queen's House, Queen Street.
Telex: 666813 Tel: 061-834 9381

Frankfurt: Frankenallee 68-72.
Telex: 416193 Tel: 7598 1

New York: 75 Rockefeller Plaza, N.Y. 10019.
Telex: 238409 Tel: (212) 489 8300

Paris: Centre d'Affaires Le Louvre,
168 Rue de Rivoli, 75044, Paris Cedex 01
Telex: 220044 Tel: 297 2000

Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex: J27104 Tel: 295 4050

Overseas advertisement representatives in
Central and South America, Africa, the Middle East, Asia and the Far East
For further details, please contact:
Overseas Advertisement Department,
Financial Times, Bracken House, 10, Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments: Financial Times in London (tel: 01-623 1211), Frankfurt, New York and Paris

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

INDUSTRIALS—Continued

INSURANCE

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

FINANCE, LAND—Continued

OIL AND GAS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

1980-81 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
37	21	Acmex 50c	35	......	Q2.5c	—	3.8
28	12	ACM 20c	17	......	—	—	—
19	14	Argosy Gold NL 25c	15	−1	—	—	—
*199	46½	Bond Corp.	153	−7	Q7.5c	1.9	2.5
156	76	Bougainville I Kina	79	+3	Q26.5c	ϕ	17.3
*350	216	CRA 50c	224	+8	Q19c	ϕ	4.4
25	11½	Canada Northwest	18	+½	—	—	—
42	8	Carr Boyd 20c	20	+2	—	—	—
545	152½	Central Pacific	272	−11	—	—	—
36½	9¼	Cons. Gold Min. N.L. 50c	35	......	—	—	—
47	17	Coitus Pacific N.L.	45	......	—	—	—
52	20	Eagle Corp. 10c	28	−2	—	—	—
41	15¼	Endeavour 20c	37	−½	—	—	—
600	175	G. M. Kalgoorlie 25c	335	+10	†Q13c	ϕ	2.0
46	13	Great Eastern	13	−1	—	—	—
*275	117	Hampton Areas 10p	220	......	12.5	2.4	1.6
*168	30	Hanna Gold N.L.	112	......	—	—	—
95	15	Intl. Mining	53	−5	—	—	—
390	11	Kitchener NL 25c	185	+5	—	—	—
720	65	Leichardt Explo.	75	+5	—	—	—
500	300	Meekatharra	380#	......	—	—	—
48	7	Metals Energy	19½	+½	—	—	2.6
91	41	Metals Ex. 50c	51	+1	§Q3c	2.9	2.9
39	8½	Metramar Mins. 20cts	25	......	—	—	—
284	150	M.I.M. Hldgs. 50c	199	+3	§Q27.6c	1.7	‡
26	7	Minefields Expl. 25c	11½	−4½	—	—	—
155	60	Mount Lyell 25c	83	......	†Q15c	1.7	9.4
28	15	Newmetal 20c	15	−1	—	—	—
69	13	Nickelore N.L.	49	......	—	—	—
214	137	North B. Hill 50c	153	+2	Q18c	3.2	6.2
*106	31	Nth. Kalgurli	57	+1	—	—	—
165	90	Nth. Mining Corp.	100	+2	—	—	—
*144	24	N. West Mining N.L.	66	......	—	—	—
*132	52	Oakbridge 50c	107	......	†Q12c	1.1	5.7
200	70	Otter N.L.	145	......	—	—	—
240	128	Pacific Copper	168	......	—	—	—
620	255	Pancont'l 25c	475	......	—	—	—
78	42	Paringa M.&Ex.5p	47	+1	—	—	—
625	335	Peko-Wallsend 50c	400	......	†Q17.5c	ϕ	2.3
230	85	Selt'ust A	95	......	—	—	—
206	57½	Southern Pacific	101	......	—	—	—
100	31	Swan Resources 20c	54	−1	—	—	—
34	8	West Coast 25c	13	−2	—	—	—
332	177	Westn. Mining 50c	235	+8	Q14c	1.6	3.1
45	10	Westmex	22	......	—	—	—
108	54	Whim Creek 20c	60	+4	—	—	—
101	10½	York Resources	83	+3	—	—	—

Tins

1980-81 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
25	10	Amal Nigeria 1p	13	......	‡16.0	—	—
370	255	Ayer Hitam SM1	275	......	Q205c	1.0	14.4
72	42	Berali Tin	67	......	4.5	3.2	9.6
308	149½	Berjuntai SM1	270	......	Q85c	ϕ	6.3
230	135	Geevor	135	......	‡6.4	1.9	‡
12½	8	Gold & Base 12½p	8	......	—	—	—
810	310	Gopeng Cons.	640	......	Z21.0	ϕ	4.7
450	280	Hongkong	415	......	‡35.87	ϕ	‡
145	90	Idris 10p	125	......	Z6.0	ϕ	6.9
15	12½	Jantar 12½p	14	......	1.5	ϕ	15.3
118	64	Kamunting SM0.50	95	......	‡Q80c	1.0	‡
600	150	Killinghall SM1	600xd	......	Q100c	ϕ	3.2
128	48½	Malay Dredging 10c	114#	......	‡‡Q38c	0.9	6.4
43	26	Pahang	40	+2	0.44	0.3	1.6
120	83	Pengkalen 10p	98	......	3.5	ϕ	5.1
415	230	Petaling SM1	370	......	Q180c	ϕ	9.4
44	18	South Crofty 10p	23	......	‡1.0	ϕ	‡
305	205	Sungei Besi SM1	205	......	‡Q480c	1.1	‡
115	22½	Supreme Corp. SM1	110	......	gQ15½c	ϕ	2.7
125	90	Tanjong 15p	117	......	Z1.5	ϕ	1.9
115	78	Tongkah H. Tin 15m	80	......	Q23%	0.4	5.7
480	220	Tronoh SM1	380	......	‡Q250c	0.7	‡

Copper

1980-81 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
260	130	Messina R0.50	195	+10	Q45c	4.7	13.2

Miscellaneous

1980-81 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
180	78½	Anglo-Dominion	150	−5	—	—	—
97	40	Barymin	42	......	—	—	—
17	12	Burma Mines 10p	15	......	0.62	1.1	6.0
445	53	Colby Res. Corp.	215	+25	—	—	—
502	200	Cons. Murch. 10c	205	+5	†Q30c	1.8	8.4
180	75	††Hemerdon 10c	90	......	—	—	—
225	36	Highwood Res.	175	......	—	—	—
585	300	Northgate C$1	300	−10	—	—	—
*486	322	R.T.Z.	405	......	‡16.0	3.2	5.6
£115	£93½	Do. 3½% Cu. Ln. '95-2000	£97	......	Q3½%	—	[illegible]
143	91	††SPO Minerals 10p	139	−3	—	—	—
58	26	Sabina Inds. C$1	43	......	—	—	—
51	29	††SWCM 10p	33	......	—	—	—
650	411	Tara Exptn. $1	500	......	—	—	—

NOTES

... based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	40	......
Bertam	12	......
Bdg'wtr. Est. 50p	555	......
Craig & Rose £1	£11¾	......
Fife Forge	41	......
Finlay Pkg. 5p	28½	......
Graig Ship. £1	£21	......
Higsons Brew	70	......
Holt (Jos) 25p	370	......
I.O.M. Stm. £1	160xd	......
Pearce (C. H.)	720	......
Peel Mills	67	......
Sheff. Refrshmt	94	−1
Sindall (Wm.)	135	......

IRISH

Conv. 9% '80/82	£93⅜	......
Nat. 9¾% 84/89	£75⅜	+⅛
Fin. 13% 97/02	£86¼	+⅝
Alliance Gas	58	......
Arnott	290	+5
Carroll (P.J.)	83	+2
Concrete Prods.	90	......
Heiton (Hldgs.)	28	......
Ins. Corp.	390	−5
Irish Ropes	40	......
Jacob	40	......
T.M.G.	24	......
Unidare	82	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	7	I.C.I.	28	Utd. Drapery	6½
BOC Intl.	9	"Imps"	7	Vickers	14
B.S.R.	4½	I.C.L.	9	Woolworths	5
Babcock	11	Inveresk	3	**Property**	
Barclays Bank	40	Ladbroke	24	Brit. Land	8
Beecham	15	Legal & Gen.	20	Cap. Counties	11
Blue Circle	30	Lex Service	9	Land Secs.	35
Boots	20	Lloyds Bank	28	MEPC	20
Bowaters	28	"Lofs"	4	Peachey	8
B.A.T.	25	London Brick	6	Samuel Props.	15
Brown (J.)	6½	Lucas Inds.	20	Town & City	2¾
Burton	18	"Mams"	20	**Oils**	
Cadburys	6	Mrks. & Spncr	9	Brit. Petroleum	36
Courtaulds	6	Midland Bank	32	Burmah Oil	19
Debenhams	8	N.E.I.	7	Charterhall	11
Distillers	17	Nat. West. Bank	32	KCA	22
Dunlop	7½	P & O Dfd.	12	Premier	18
Eagle Star	22	Plessey	25	Shell	40
F.N.F.C.	3½	Racal Elect.	32	Tricentrol	34
Gen. Accident	30	R.H.M.	4	Ultramar	48
Gen. Electric	50	Rank Org.	16	**Mines**	
Glaxo	22	Reed Intnl.	18	Charter Cons.	20
Grand Met.	14	Sears	4½	Cons. Gold	45
G.U.S. 'A'	48	Tesco	5½	Lonrho	10
Guardian	32	Thorn	28	Rio T. Zinc	45
G.K.N.	16	Trust Houses	18		
Hawker Sidd.	29	Tube Invest.	18		
House of Fraser	15	Unilever	50		
		U.D.T.	4½		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 36

FINANCIAL TIMES
Thursday February 19 1981

South Africa blocks multiracial union move

By Quentin Peel in Johannesburg

THE CAMPAIGN by the South African Government to bring the rapidly growing independent black trade union movement into the State-sanctioned industrial relations system has been dealt a potentially serious blow by a registrar's decision to refuse three unions "non-racial" registration.

Such registration would have allowed the unions to include members of all South Africa's racial groups. By offering them registration only on a single-race group basis, South Africa's Industrial Registrar has effectively blocked their move toward official multiracial representation.

The unions in the chemical, food and paper industries, are members of Fosatu, the Federation of South African Trade Unions.

Mr. Alec Erwin, general secretary of the federation, warned yesterday that all member-unions might withdraw from the system if what he called a racist decision was not reversed.

Fosatu, whose unions have nearly 60,000 members, is the largest organisation of independent black unions in the country. Its non-co-operation would be a serious blow to the Government's new labour dispensation.

The decision to limit the unions' representation appears to conflict with a Government promise last year to allow multiracial unions. The promise was made in an effort to persuade the independent unions to register within the state sanctioned system.

The three Fosatu unions, the Chemical Workers' Industrial Union: the Sweet, Food and Allied Workers' Union: and the Paper, Wood and Allied Workers' Union, are the first members of the federation to be granted registration. But they had all applied to represent all races in their industries as a matter of principle.

These applications brought objections from established unions in the same industries which claimed that they represented whites and Coloured people in areas affected by the Fosatu applications.

The decision of the registrar, a legal officer in the Department of Manpower, means he has decided to uphold those objections, rather than respect the black union's desire to be non-racial.

"There should be no reference to race," Mr. Erwin said yesterday, "we simply applied for registration for the unskilled and semi-skilled job categories."

Membership of the unions was predominantly either African or Coloured, he said, but the situation was changing rapidly.

Cost penalty of UK reactor

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN'S INABILITY to build power stations efficiently is probably the central problem for its nuclear power programme, the Parliamentary Select Committee on Energy said yesterday.

The Central Electricity Generating Board is apparently resigned to a cost penalty of 34 per cent for building a pressurised water reactor in Britain compared with other countries, says the committee in its first report, examining the Government's strategy for nuclear power.

The report, published yesterday, is highly critical of the Government's strategy, in which it is expected that the electricity supply industry will build an average of one nuclear station a year from 1982 to 1992.

The Select Committee believes the industry has assumed too high a growth in demand.

"The estimated outlay of £15bn over 10 years represents a pre-emption of a large slice of the nation's resources which might otherwise be available for investment in other parts of the economy," says the report. Mr. Ian Lloyd, the committee's chairman, yesterday likened it in scale to three Trident nuclear deterrent programmes.

The Select Committee says the electricity supply industry in basing its demand forecasts on Treasury estimates of a 2.5 per cent growth in GDP to the year 2000, which the committee says is over-optimistic.

It believes the promised relaxation of present constraints on private generation of electricity will make inroads into the industry's markets, and that energy conservation will have a bigger impact on demand.

The 91 principal conclusions and recommendations of the report range across the official justification for a new nuclear construction programme, the economic case, problems of the Isle of Grain oil-fired station, nuclear reactor choice and safety, the nuclear design and construction industry, and the coming public inquiry into Britain's first PWR.

The committee says it doubts whether, on the likely rate of future orders, the domestic power plant industry has an economically and commercially viable future as constructed at present.

Mr. Lloyd said yesterday that the committee was "definitely not" recommending that Britain should build no new nuclear reactors, but the ordering rate would have to be continually reviewed.

He said the committee had been deeply impressed by the technical capability of the international nuclear industry, particularly in France and the U.S.

The committee was not competent to judge which reactor Britain should be building, but it believed it should settle for "single and wholly justifiable system" as soon as the case could be made.

Its opinion was that the British-designed advanced gas-cooled reactor (AGR) was a high-cost technology whose performance so far did not justify a national programme. The U.S.-designed pressurised water reactor (PWR) was a low-cost proven technology and there were no convincing reasons why it should not be so in Britain.

The committee found the Canadian Candu reactor "extraordinarily interesting." It recommends an "immediate, in-depth, independent assessment of Candu and its suitability for UK conditions."

Mr. England said that the CEGB believed a PWR built in Britain would incur a cost penalty of 34 per cent partly because of low productivity on its construction sites, and partly because of low order books in the manufacturing industry.

First report from the Select Committee on Energy. Vol. 1, £5.30.

Nuclear powered plant doubts, Page 8
Editorial comment, Page 22

Shadow Cabinet will urge MPs to reject formula on leadership

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

THE MOVE to minimise the damage inflicted on the Labour Party over the last few weeks gathered pace last night. The Shadow Cabinet agreed to recommend to Labour MPs that they reject the formula for electing the leader approved by last month's conference and return to the idea of a college dominated by the Parliamentary Labour Party.

The decision was taken in spite of the dissent of Mr. Tony Benn, who has taken over Mr. Bill Rogers' seat in the Shadow Cabinet. It will almost certainly mean that the parliamentary party will again find itself opposed to the party's National Executive Committee—though the executive itself may well be split over tactics.

At last night's meeting Mr. Benn argued strongly that the party had an obligation to accept the Wembley conference decision to give trade unions 40 per cent of the votes in a college and Labour MPs only 30 per cent. But the majority view was that the Shadow Cabinet should endorse the formula giving MPs 50 per cent, which it had backed before Wembley.

Mr. Foot told Mr. Benn he was free to vote for whatever system for electing the leader he wanted. But he warned that if Mr. Benn tried to put an alternative resolution to the party meeting next week, he would not be able to stay in the Shadow Cabinet.

The 50 per cent formula is likely to get the support of the majority of Labour MPs, who have been increasingly anxious over the past few weeks about the damage the Wembley conference and subsequent events have done to the party. Once it has been endorsed Mr. Foot together with Mr. Denis Healey, the deputy leader, will step up their efforts to rally the trade unions behind it.

The hope is that they will be able to build on what Shadow Ministers believe is a new determination to rally the party. The formula will do nothing to stop the organisers of the Council for Social Democracy leaving the party—though it could encourage some Labour moderates who are considering their future to stay with Labour.

BL will repay £20m in duty

By Kenneth Gooding, Motor Industry Correspondent

BL WILL pay back nearly £20m to the Treasury out of the £990m injected by the Government in the next two years.

The cash to be repaid represents the 2 per cent stamp duty BL must pay on shares to be issued to the Government in return for new money.

The group estimates that the total cost in 1981, when it is to receive the first £620m, will be about £14m once administration and other costs are added to stamp duty.

To put this in perspective, £14m is more than BL spent to develop the Morris Ital from the old Marina. The £20m stamp duty on the £990m would just about cover the cost of developing an existing engine suitable for a new Jaguar saloon.

BL has paid out about £20m in stamp duty already over the past five years from the £1bn Government money it has absorbed since it became state-owned in 1975.

This peculiarity in BL's finances came to light yesterday during a hearing of the Commons Select Committee on Industry and Trade.

It is known that Sir Michael Edwardes, BL's chairman, has preferred government money in equity rather than loan form because, while the group does not expect to pay dividends for some years, it has to pay regular interest on loans.

Sir Keith Joseph, Industry Secretary, giving evidence to the committee yesterday, said that by taking shares the Government had given BL more financial leeway to borrow from private-sector sources.

Sir Keith said the Government would not have allocated more money for BL if it had not had some confidence that the group could become profitable—"not this year, not next year, but increasingly possible thereafter."

During the hearing Mr. James Hill (Cons., Southampton Test), a committee member said Sir Michael Edwardes had written to him denying rumours that he had threatened to resign if the BL corporate plan had not been approved.

"Sir Michael said the only thing which would force him to resign would be if the Government prevented BL from selling-off loss-making parts of the business," said Mr. Hill.

French car industry feature, Page 22

Harold Evans to edit The Times

BY LISA WOOD

MR. HAROLD EVANS, at present editor of the Sunday Times, has been appointed editor of The Times.

Mr. Evans will succeed Mr. William Rees-Mogg at the beginning of March.

Mr. Rupert Murdoch, who bought Times Newspapers last week, said yesterday that Mr. Frank Giles, deputy editor of The Sunday Times, will become its editor.

Mr. Evans, aged 53, has been a prominent defender of the freedom of the British press and the independence of editors. In 1979 he was awarded the Gold Medal of the Institute of Journalists. Lord Denning, Master of the Rolls, presenting the award, referred to Mr. Evans' "courage, initiative and perseverance" in his fight against a High Court injunction restraining publication in his newspaper of an article on thalidomide.

Mr. Evans, author of several books, including five volumes on the editing and design of newspapers, started his newspaper career in 1944 as a reporter in Ashton-under-Lyne, Lancashire.

He became editor of the Northern Echo, in Darlington, in 1961 and editor-in-chief of The North of England Newspapers in 1963. He joined the Sunday Times in 1966, as chief assistant to the editor and was appointed editor in 1967.

He is a main Board director of Times Newspapers, and a director of the Sunday Times.

Mr. Giles, aged 61, joined The Sunday Times in 1961 as the foreign editor and was appointed deputy editor in 1967, retaining the post of foreign editor until 1977.

A fluent linguist, he served briefly in the Foreign and Commonwealth Office at the end of the Second World War and joined The Times in 1946, shortly afterwards becoming the assistant resident correspondent in Paris. He became chief correspondent for The Times in Paris, and later in Rome.

Two new appointments have been made to the post of The Sunday Times' deputy editorship. They are Mr. Ron Hall, the editor of the newspaper's magazine, and Mr. Hugo Young, the present political editor.

Machinery leasing increases 85%

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

PLANT and machinery leased by industry and commerce doubled in money terms in 1980, reflecting a volume growth of about 85 per cent. However, the volume of all fixed assets leased during the year was ahead by a more modest 14 per cent.

The Equipment Leasing Association (ELA), which published the figures yesterday, said that many industrial companies which had previously bought their own fixed assets had turned to leasing as a more attractive form of finance during 1980.

This was because the companies' taxable profits, or taxable capacity, had been substantially reduced as a result of the recession.

Leasing is a form of finance under which the lender of the funds, the lessor, becomes the nominal owner of the assets being bought, while the user, the lessee, pays a periodic rental for their use.

As a result the lessor, normally a bank, becomes entitled to the related tax allowances, which in the case of plant amount to 100 per cent of the purchase price. In this way, the clearing banks in particular have been able to reduce payments of mainstream corporation tax to the Government in recent years, passing on part of the benefit to lessees.

The ELA's figures show that in the previously booming motor car market, the leasing market contracted from £465m new business in 1979 to £267m in 1980. This was partly a result of the Government's decision to reduce tax allowances on motor cars. In addition, the ELA claims that as a result of the recession fleet operators chose to extend existing leases rather than enter into new agreements.

Leasing to central and local government more than doubled to £201m during the year. However, most of this increase, which relates largely to local authorities, occurred in the first half of the year. This was before the Government reduced from 100 to 25 per cent the tax allowance on assets leased to non-trading organisations.

ELA members report that as a result of this measure, their profits declined and non-bank lessors have moved out of the market.

Leased assets generally do not appear as fixed assets either in the accounts of the lessor or the lessee. An accounting standard requiring the lessee to record the assets has been held up for years because of objections from the banks that such a treatment would affect their business interests.

EEC food price rise plan

BY LARRY KLINGER IN BRUSSELS

THE European Commission yesterday proposed increases of between 6 and 12 per cent in the prices paid to farmers for their produce, in a package which includes possible heavy financial penalties on those who continue to add to Community surpluses.

Mr. Poul Dalsager, the new Agriculture Commissioner, said the proposals would raise consumer prices for food by 2½ per cent during the year from April.

The commission also renewed its call for the progressive abolition of the "green money" system. It called on the Netherlands, Belgium and Luxembourg to opt out of the system completely and for Britain and West Germany to revalue their "green currencies" by 5 per cent.

"Green" exchange rates are the rates at which common prices are translated into national currencies. Because of money market fluctuations the British green pound and the green D-Mark are substantially undervalued against the currencies proper.

Revaluation would lead to a corresponding drop in the prices guaranteed to farmers.

The net cost to the Community budget of the proposals —allowing for penalties on overproduction

Birmid

Continued from Page 1

those from lawnmowers, one of the products for which the group is best known.

Mr. Insch said the recession in Britain had reached depths not predictable a year ago, with Birmid's improved first half results eroded through lack of demand in the second half.

At the pre-tax stage, and after higher interest charges, profits were down from £9.4m to £223,000. But a higher tax charge and plant closure costs of £10.2m left the company heavily in the red.

Birmid has decided not to pay a final dividend for the year, having declared an interim payment of 1.5p earlier when profits were recovering.

Since last April, it has been hit by the dramatic slide in car, truck and tractor demand, and further plant cutbacks have left its foundry capacity at around half the 300,000 tonnes of 1977.

Leaflet to help the handicapped

THE FIRST of a series of leaflets urging schoolchildren to treat their mentally handicapped peers like their friends has been issued by the National Society for Mentally Handicapped Children and Adults.

Weather

UK TODAY

COLD, bright intervals, snow showers.

S., E. and N. England, Midlands, Channel Isles, I. of Man, N. Wales, S., N.W. and Central Scotland
Frost early and late, mainly dry. Max. 7C (45F).

S.W. England, S. Wales
Isolated snow showers. Max. 7C (45F).

N.W. Scotland, Orkney, Shetland, N. Ireland
Bright intervals, rain later. Max. 7C (45F).

Outlook: Snow showers, sunny intervals, night frost.

WORLDWIDE

	Y'day midday	°C	°F		Y'day midday	°C	°F
Ajaccio	R	9	48	L. Ang't	C	15	59
Algiers	C	10	50	Luxmbg.	Sn	-1	30
Amsdm	C	2	36	Luxor	S	24	75
Athens	[illegible]	[illegible]	[illegible]	Madrid	S	6	43
Bahrain	S	20	68	Majorca	S	13	55
Barclna.	[illegible]	[illegible]	[illegible]	Malaga	S	15	59
Beirut	[illegible]	[illegible]	[illegible]	Malta	R	8	46
Belfast	C	5	41	M'chstr	C	3	37
Belgrd.	C	1	30	Melbne	C	20	68
Berlin	F	0	32	Mx. C't	[illegible]	[illegible]	[illegible]
Biarritz	C	7	45	Miami	C	24	75
Bmghm	C	3	37	Milan	C	3	37
Blackpl	C	3	37	Montrl	S	[illegible]	[illegible]
Bordx.	Sn	3	39	Moscow	S	-5	23
Boulgn	Sn	2	36	Munich	Sn	-2	28
Bristol	C	3	37	Nairobi	F	25	77
Brussels	Sn	0	32	Naples	S	10	50
Budpst	Sn	-2	28	Nassau	[illegible]	[illegible]	[illegible]
Cairo	S	25	77	Nwcstl	C	3	37
Cardiff	[illegible]	3	37	N York	C	11	52
Cas'b'ca	C	13	55	Nice	[illegible]	[illegible]	[illegible]
Cape T.	S	25	77	Nicosia	R	11	52
Chicg.	[illegible]	[illegible]	[illegible]	Oporto	C	11	52
Cologne	C	2	36	Oslo	C	-4	25
Cphgn.	S	2	36	Paris	C	1	34
Corfu	[illegible]	[illegible]	[illegible]	Perth	[illegible]	[illegible]	[illegible]
Denver†	C	2	36	Prague	Sn	-3	27
Dublin	S	5	41	Rykjvk	Sn	0	32
Dbrvnk	S	8	46	Rhodes	[illegible]	[illegible]	[illegible]
Edinbgh	S	3	37	Rio J'o†	[illegible]	[illegible]	[illegible]
Faro	S	15	59	Rome	S	10	50
Florence	S	7	45	Salzbg	F	-2	28
Frankft	S	3	37	S F'cisc†	C	10	50
Funchal	C	16	61	S. Moritz	[illegible]	[illegible]	[illegible]
Geneva	C	0	32	Singapr	[illegible]	[illegible]	[illegible]
Gibraltar	S	15	59	St'ckhm	Sn	-2	28
Glasgow	C	3	37	Strasbg	F	3	37
G'rnsey	S	4	39	Sydney	C	25	77
Helsinki	C	-5	23	Tangier	C	14	57
H. Kong	R	[illegible]	[illegible]	Tel Aviv	F	19	66
Innsbrk	F	-1	30	Tenerife	F	15	59
Invrnss	S	3	37	Tokyo	[illegible]	[illegible]	[illegible]
I. o Man	C	3	37	Toronto†	C	6	43
Istanbul	C	4	39	Tunis	R	10	50
Jersey	S	5	41	Valencia	S	14	57
Jo'burg	C	[illegible]	[illegible]	Venice	S	5	41
L. Plms	C	18	64	Vienna	Sn	-2	28
Lisbon	C	13	55	Warsaw	C	-4	25
Locarno	Sn	1	34	Zurich	C	3	37
London	C	3	37				

C—Cloudy. F—Fair. R—Rain. S—Sunny. Sn—Snow.
† Noon GMT temperatures.

THE LEX COLUMN

Earnings dilution at Dalgety

Index rose 3.8 to 489.3

While the Reagan budgetary proposals face a long slog through Congress, interest rate movements work here and now, and world bond markets have begun to respond to the feeling that the Federal Reserve is happy with a slightly lower Fed funds rate. In London, the Government broker was able to supply some of his 1986 tap stock.

Dalgety

Dalgety's half-year profits are up from £15.7m to £16.2m pre-tax, but that includes an extra 4 months from the Spillers' acquisition, and earnings per share on average capital are down by more than 30 per cent. Spillers' activities seem to have done quite well: the milling side has enjoyed a good supply of wheat and price increases, while the food division is also well up. But Dalgety's malting business has been hit by the problems of the brewers and distillers in the UK, and its frozen food operation in the U.S. is still losing money.

Group profits for the year could rise from £33.4m to nearer £40m, since there is a seasonal bias in favour of the current half, and some of Spillers' activities—like animal feeds—are benefiting from rougher management. The hope is that this will be taken further in 1981-82, when earnings could also gain from a reduction in interest rates.

This is already reflected in the share price. Although borrowings are coming down this year, Dalgety is still highly geared with debt of £230m and tangible shareholders' funds of about £210m. The market capitalisation is also just over £200m at 279p, and although the yield of 11½ per cent is very secure—having issued all that paper for Spillers, the management will move heaven and earth to maintain the payment —the scope for dividend growth over the medium term is not that great. This year's dividend will be covered by historic cost earnings with a bit to spare, but the current cost figures which are to be released for the first time may look rather spotty. Sooner or later, too, a rights issue seems probable.

Birmid Qualcast

A year ago Birmid Qualcast was looking for better things ahead, and indeed the respectable trading performance in two of its major divisions, central heating systems and lawnmowers, justify past confidence. But this has been swamped by the problems of the foundries side, with its heavy exposure to the automotive industry. At the trading level foundries have turned round by £6¾m into loss, and group trading profits are down from £8.2m to £3.7m in the year to October.

By putting all rationalisation costs below the line (a change of policy from previous years) the group manages to show a small pre-tax profit, but at the attributable level there is a £12.8m loss, which amply explains the omission of a final dividend.

Birmid had a very strong balance sheet before it began to run into problems three years ago, and even after rising £12m debt had only reached 44 per cent of net worth by October. Since then, closure costs (around £6m in cash terms) will have added to borrowings but there should be some offset from the disposal of redundant assets.

At the moment business is bumping along what Birmid fervently hopes will be the bottom, and the group is losing money before interest charges, which are now running at roughly £4m a year. The second half should see some benefit from the closures (ferrous foundry capacity drops to half what it was in 1977) but the chances of anything more than a nominal dividend this year cannot be good. Birmid has the look of a survivor, but until there are concrete signs of an upturn the market capitalisation of £13.8m—rather less than 1975-76 pre-tax profits—is probably high enough.

BOC International

Loss elimination in the UK and the buoyant economies of South Africa and Australia have helped BOC International push up pre-tax profits in the first quarter by 17½ per cent to £14.6m, after full replacement cost depreciation. Demand in the UK has remained depressed, and volume has fallen by a tenth, with the welding, medical and vacuum engineering businesses worst hit. But the benefits of last year's rationalisation are now showing through and European (essentially UK) trading profits are up by more than a third.

The pick-up in the U.S. economy has also shown through in the figures, with buoyancy in the medical and carbon graphite businesses more than counterbalancing a squeeze on margins in industrial gases. But conditions are getting no easier in the UK and U.S., and the outturn for the year may be only a little above £70m. Against the £61.5m last year, this rise will seem healthy enough, but it is perhaps the minimum to satisfy the market given the failure to break out of the profits plateau of the last five years and the ebullient forecast in the annual report.

The shares, which have doubled over the last 12 months, rose a further 2p yesterday to 120p, producing a well-covered prospective yield of about 6 per cent. The cash outflow this year may approach £40m, although investors now seem to have come to terms with the company's high gearing. The share price may have risen far enough, at least in the short term.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.